

Sustainable Development Report for the Calendar Year 2019



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Photo by Jakob Owens on Unsplash

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Managing Director's Message

The Swire group believes that alongside an abiding focus on staff, practical innovation and commercial viability, our existing businesses must adapt to a world in which they **will be judged by their impact upon the environment and the community.**



The Swire Pacific Offshore ("SPO") group of companies and its parent, Swire Pacific Limited, believe that sustainability is "a strategic imperative for our businesses and part of our overall approach to **building long-term value for our shareholders**".

SPO's mission is to 'Deliver safe, high quality, reliable and sustainable Marine Services'. We plan and operate our business in line with our long-term commitments to safety and sustainability, in accordance with best practice and often beyond internationally agreed standards. I am pleased to report our progress in this **Sustainable Development (SD) Report for the calendar year, 2019.**

SPO has been in business for 44 years and as an industry leader we have invested consistently in both assets and capabilities, seeking always to differentiate ourselves from our competitors and to improve the sustainability of our businesses across all measures.

We have an in-house Sustainability team, the leader of which also serves as a Director of the Singapore Environment Council and is a member of the British Chamber of Commerce in Singapore Sustainability Committee. He has ready access to SPO's senior leadership and helps shape future strategy in the most cost effective way, operating at the outset of initiatives rather than through "retrofits" of existing assets, policies, practices and procedures.

SPO concluded 2019 and began 2020 with improving market conditions in the core fleet segments of Anchor Handling Tug and Supply Vessels (AHTS) and Platform Supply Vessels (PSV), though this has since been derailed by the COVID-19 pandemic.

However, in November, having explored all possible strategic alternatives, SPO recognised that its subsea business headquartered in Bergen was not viable going forward and thus, regrettably announced its closure which was completed at the end of February 2020. This unfortunately resulted in the redundancy of the office employees, mariners and offshore specialists employed by Swire Seabed and its associated companies.

Prior to the announcement, the Company consulted fully, and agreed severance terms with all employees and union representatives. Support was provided to employees to assist them in their career transitions.

In 2019, we introduced a new Leadership Programme for our senior officers. This programme recognises that what people do and how well they perform their job depends upon how engaged they are and how they feel – about their work and the Company, about their crewmates, and about their own leadership role on the vessel. In the same way that the Managing Director (MD) and senior executives set the tone for the safety culture of the organisation, the Master and his senior officers set the tone on board. The programme has been positively received.

The major material issue that dominates the sustainability agenda of the worldwide shipping industry is that of decarbonising and reducing Greenhouse Gas (GHG) emissions. 96.14% of SPO's GHG footprint of 480,977 tCO₂e in 2019 was caused by the burning of fossil fuels in the internal combustion engines of ships in our fleet. SPO supports the Initial Strategy¹ published by the International Maritime Organisation (IMO) in 2018, and will pursue this through a combination of:

1. Identification and evaluation of possible Technical and Operational (T&O) improvements to our fleet's energy efficiency in the short-term and as a necessary first step;

2. Identification and evaluation of the most practical and effective low / zero carbon fuel source to power our ships both existing and future;
3. Offsetting those GHG emissions that we cannot eliminate, especially whilst future low / zero carbon technology is under development, and until suitable alternate fuel and bunkering capacity becomes available at scale globally.

As part of our focus on radical decarbonisation, in 2019 SPO continued to invest in a feasibility study (*Project Hafnium*) looking at low / zero carbon fuels for the marine industry (see page 101), and we continue to investigate possible T&O measures within our existing fleet operations to achieve increased efficiency and reduced carbon footprint.

¹The levels of ambition directing the "IMO Initial Strategy", as determined at the IMO MEPC-72 meeting in April 2018: <https://bit.ly/3cmWMju>

1. **Carbon intensity of international shipping to decline**
To reduce CO₂ emissions across international shipping by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008 levels.

2. **GHG emissions from international shipping to peak and decline**
To peak GHG emissions from international shipping as soon as possible and to reduce the same by at least 50% by 2050, compared to 2008 levels, whilst pursuing efforts towards phasing them out consistent with the Paris Agreement temperature goals.

3. **Carbon intensity of the ship to decline**
The decline of the carbon intensity of the ship through implementation of further phases of the Energy Efficiency Design Index (EEDI) for new ships.

We also continued to support and manage our long-term REDD+ forest conservation project in Paraguay (see page 72).

2019 ended on a positive note, when SPO was recognised with the *Excellence in Offshore Support Award* at the 2019 Lloyd's List Asia Pacific Awards ceremony, for excellence in supporting the offshore energy industry through the operation of offshore service and supply vessels. We were further honoured to be recognised by the Singapore Registry of Ships (SRS) with the *Manpower Recognition Award* for our strong commitment towards developing Singaporean seafarers and nurturing local maritime talents. Both awards are

We will continue to work together with all our stakeholders, internal and external, to create a better, more sustainable, lower carbon future.



Peter Langslow
Managing Director, Swire Pacific Offshore



Introduction

We continue to integrate economic, environmental and social sustainability into all dimensions of our business and our management practices as part of our drive for managing our business sustainably.



This Sustainable Development (“SD”) Annual Report covers the operations of the Swire Pacific Offshore group (“SPO”) from 1st January to 31st December 2019, with any single point data reflected as at 31st December 2019 unless otherwise stated. We continue to report using “Global Reporting Initiative (GRI) Standards” as the basis for disclosure. This report has been prepared in accordance with the “GRI Standards: Core” option, and assured by an external and independent auditor.

This report details the impacts we have made across each of the five pillars of our reporting framework: Governance, Our People, Safety, Our Environment and Our Communities covering the topics that we have found to be most material to the SPO group. SPO remains committed to meeting the best practices for all the relevant areas detailed by the ISO 26000:2010 Standard on Social Responsibility, which are also addressed throughout this report. We also show where these are aligned to relevant Sustainable Development Goals (SDGs).

“

Sustainable development is a strategic imperative for our businesses and integral to our overall approach to building long-term value for our shareholders.

Merlin Swire, Chairman, Swire Pacific Limited
Swire Pacific Sustainability Report 2018

SD Strategy Highlights

We don't see our business as separate from the world. We depend on it, and wish to help shape it positively. On the following pages are some of our achievements across three pillars of the Sustainability Strategy in 2019.

SPOTHRIVE

Because when the world in which we operate thrives, so do we.

Thriving People



We will respect and care for our employees and other stakeholders, unlocking the potential for all of us to grow.

- In 2019, SPO employed 28 female seafarers. While this is only 1.2% of the total number of seafarers, it represents a 33% increase from 2018 and a doubling of the number of female seafarers employed in 2017.
- The total number of seagoing employees that attended discretionary courses across various geographies was 2,638, with a further 197 shore-based employees receiving training. SPO's expenditure on discretionary courses was over USD 3.6 million which, given the financial climate, represented a significant investment in the development of our people.
- We were recognised by the Singapore Registry of Ships with the *Manpower Recognition Award* for our strong commitment towards developing Singaporean seafarers and nurturing local maritime talents.

Thriving Environment



We will help create a resilient environment that provides for our future.

- We have set ourselves a goal of eliminating single-use plastic bottles (SUPBs) with the target of zero SUPBs on board of our vessels. By the end of 2019, we achieved a 26% reduction in SUPB used on our vessels.
- We also launched the “Say No to Single-Use Plastic” campaign as part of our efforts to help reduce our employees’ plastic footprint. Every shore-based employee received a pack comprising reusable items in a cotton bag, that included a metal straw, a BPA-free reusable plastic bottle / aluminium bottle, and a stainless steel fork and spoon.
- We invested in the Research and Development area through *Project Hafnium* to explore the viability of hydrogen (H_2) production, storage, and power for Offshore Supply Vessels, with the goal of radical decarbonisation through the use of H_2 -based fuel. SPO worked in a consortium with Nanyang Technological University’s Maritime Energy and Sustainable Development Centre of Excellence (MESD CoE) and other knowledge partners. A feasibility study was conducted in 2019 with the initial focus to investigate the possibility to produce hydrogen on board and its use as fuel in our existing fossil fuel powered internal combustion engines.

By the end of 2019, we reduced the use of single-use plastic bottles (SUPBs) on our vessels by 26%. Our target is zero SUPBs.



Top: Photo by Francesco Ungaro on Unsplash | Above: Photo by Redcharlie on Unsplash



Pictured above: SPO and CNCo volunteers

“

A strong sustainability performance boosts reputation, improves efficiency, mitigates risk and attracts and retains talent.

Dr. Mark Watson, Head of Sustainable Development
Swire Pacific Sustainability Report 2018

Thriving Communities



We will work with communities wherever we operate to improve people's lives.

- SPO has a long-term partnership with Endangered Species International (ESI) in South Mindanao, The Philippines, working to protect the International Union for Conservation of Nature (IUCN) designated 'critically endangered' Philippine forest turtles on Mount Matutum. SPO also assisted ESI with a programme of mangrove and coastal reef conservation, management and rehabilitation activities in the Sarangani Bay area, some 80 kilometres downstream of the turtles' forest habitat. SPO sponsors the travel, accommodation and subsistence costs for our Filipino seafarers who work as unpaid volunteers for the rehabilitation of these forests and mangroves for a period of five days.
- SPO collaborated with Central Singapore Community Development Council for the fourth run of *Project Painting Smiles*, a roving arts initiative to create vibrant community spaces through mural painting. Our employees brought cheer to the underprivileged children at the Life Community Services Society through art and craft workshops and games.
- SPO partnered with Seven Clean Seas, a small beach cleaning community for a beach clean-up exercise. The group of 30 volunteers amassed a total of 1,470 kilogrammes of ocean plastic over a span of two hours.

53 employees spent 214 hours on corporate volunteering work during the year.

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Company Profile and Fleet Composition

Sustainability is an integral part of how we manage our business. We remain committed to conduct our business with integrity and fairness and maintaining the highest standards of professionalism in all our dealings with others. We seek mutually beneficial relationships with everyone we do business with.

Our Vision:

Excellence in Offshore Marine Services
– every time, everywhere

Our Mission:

Deliver safe, high quality, reliable and sustainable Marine Services



Swire Pacific Offshore (SPO) is a wholly owned subsidiary of Swire Pacific Ltd, one of Hong Kong SAR's leading publicly quoted companies with diversified interests in five divisions: Aviation, Beverages, Marine Services, Property and Trading & Industrial.

SPO is a leading service provider to the offshore Oil and Gas and renewables industry with a network that spans the globe. At the end of 2019, SPO owned and / or operated 73 Offshore Support Vessels (OSV). The fleet includes a mix of Anchor Handling Tug Supply (AHTS) Vessels, Platform Supply Vessels (PSV), Windfarm Installation Vessels, Seismic Survey Vessels, High Speed Crew Catamaran, Accommodation Barges and Multipurpose Subsea Vessels (MPSV). Overall SPO's asset value was USD 1.3 billion.

We are fully equipped to support, *inter alia*, the wide range of offshore activities required by the offshore marine Oil and Gas Exploration and Production (E&P) sectors, including seismic survey, exploration, drilling, pipe-lay, subsea construction, production and Floating Production Storage and Offloading (FPSO) operations. In addition to this, we continue to seek to balance our fleet and operations by building our capability in the non-Oil and Gas E&P sector, in areas such as windfarm installation, general salvage and coastal protection.

SPO is a leading service provider to the offshore Oil and Gas and renewables industry with a network that spans the globe.

In operation since 1975, SPO has 44 years of experience supporting blue chip companies across the globe. Headquartered in Singapore since 1992, SPO has subsidiaries and / or regional and representative offices in Angola, Australia, Brazil, Brunei, Cameroon, Canada, Cyprus, Denmark, Equatorial Guinea, Ghana, India, Indonesia, Malaysia, New Zealand, Norway, Qatar, Taiwan region, the United Arab Emirates, the United Kingdom (UK) and the United States of America (USA) operating vessels in every major oil exploration region outside of North America (28 offices around the world, with a presence in most major markets except in the USA Gulf of Mexico).

In April 2019, Swire Blue Ocean (SBO) expanded its presence to the Taiwan region, with the appointment of a key representative for SBO based in Taipei.

In November 2019, SPO announced its decision to cease the operations and to close its wholly owned subsidiary, Swire Seabed AS, and its three associated companies; Swire Seabed Subsea AS, Swire Seabed Shipping AS and Swire Seabed Sea AS. This change will take effect from the end of February 2020. The inspection, maintenance, repair and light construction vessels will be managed by SPO and the Norwegian-flagged vessels will be reflagged. *Seabed Stingray* will be re-delivered to her owners in February 2020.

The closure resulted in the redundancy of all office employees, mariners and offshore specialists employed by Swire Seabed and its associated companies. Prior to the announcement, the Company consulted fully, and agreed severance terms with employees and union representatives. Support was provided to employees to assist them in their career transitions.

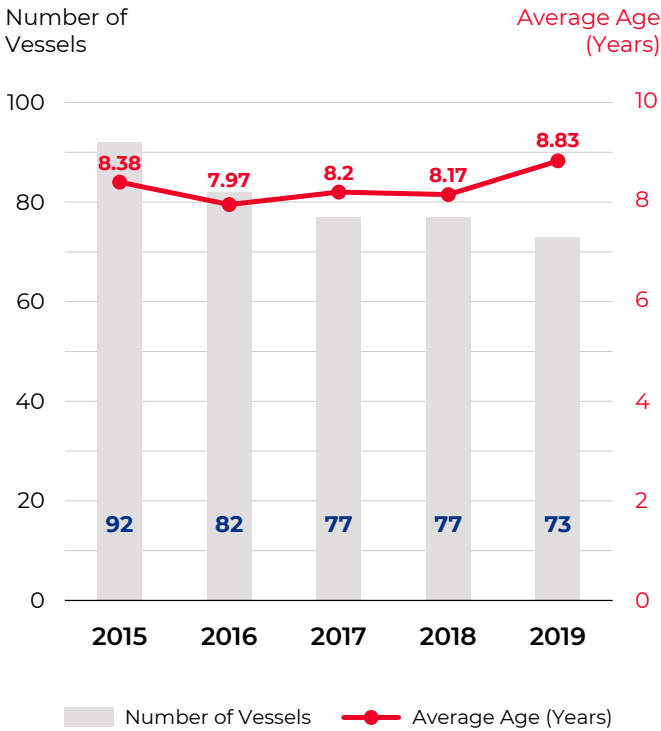


In operation since 1975, SPO has 44 years of experience supporting blue chip companies across the globe.



At the end of December 2019, SPO owned 73 vessels and managed one vessel. Three vessels were sold and one sustainably recycled. The average age of SPO's fleet was 8.8 years. Seafarers manning were done in-house or through our joint venture partners where possible. Only Maritime Labour Convention (MLC) approved Manning agencies are used should we require temporary sources of manning.

Vessel numbers and average age



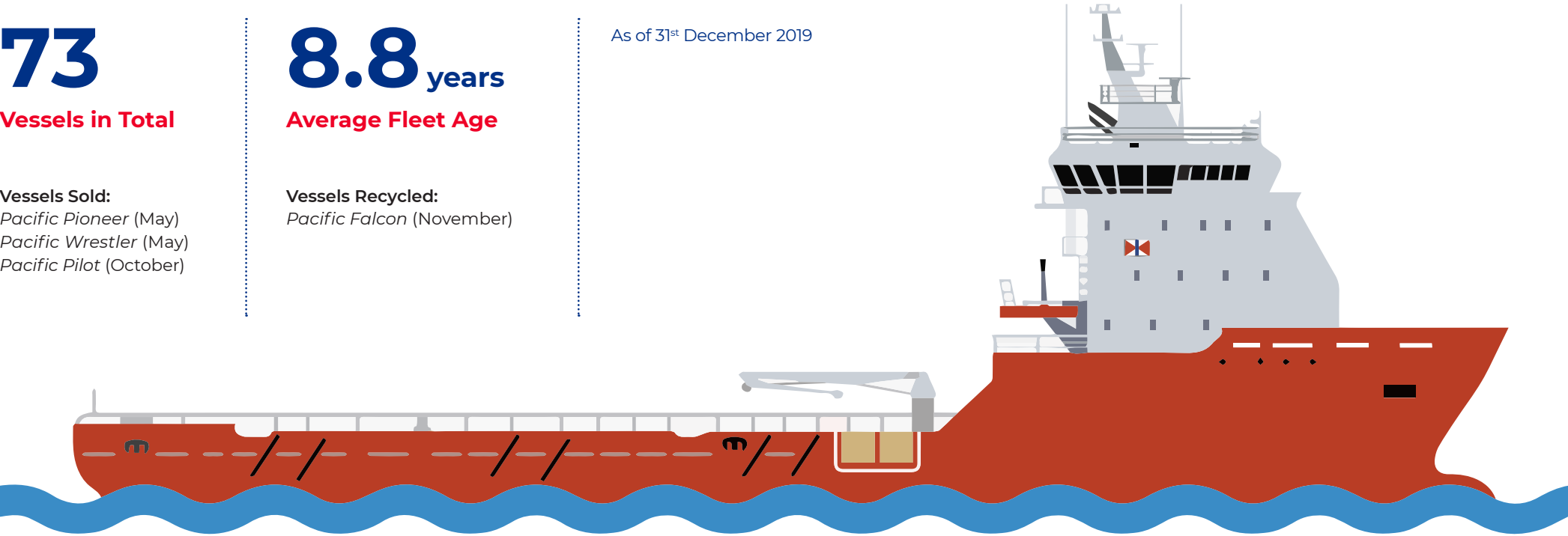
73
Vessels in Total

Vessels Sold:
Pacific Pioneer (May)
Pacific Wrestler (May)
Pacific Pilot (October)

8.8 years
Average Fleet Age

Vessels Recycled:
Pacific Falcon (November)

As of 31st December 2019



41

Anchor Handling
Tug Supply
Vessels (AHTS)

22

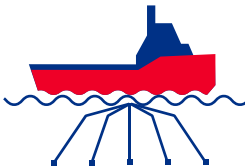
Platform Supply
Vessels (PSV)

4

Multipurpose
Subsea Vessels
(MPSV)

2

Accommodation
Barges

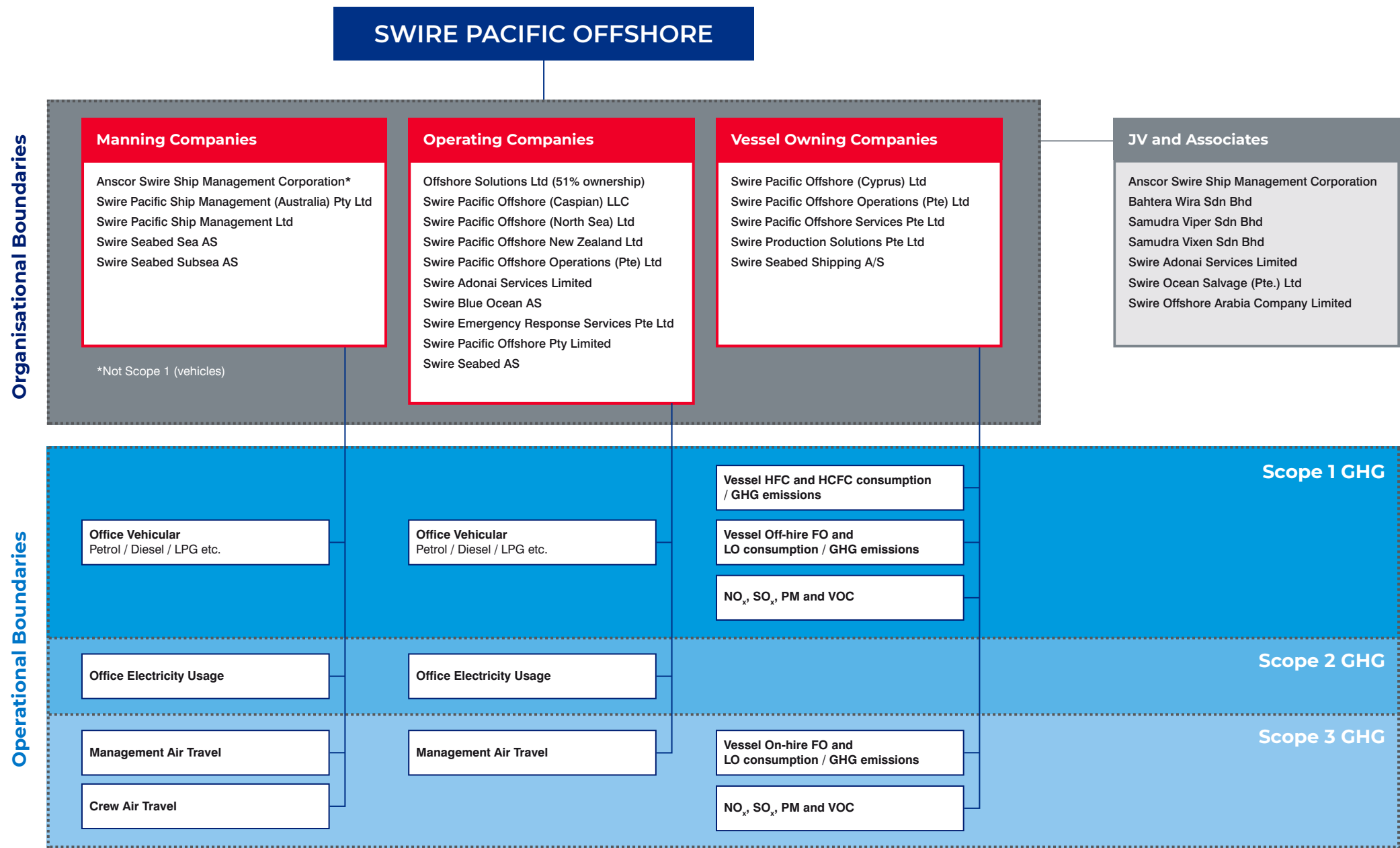
1

Seismic Survey
Vessels

2

Windfarm
Installation
Vessels

1

High Speed
Catamaran



Sustainable Development Structure

Sustainability is championed on the SPO Management Committee (the highest level operational and strategy setting body within SPO) by Simon Bennett, General Manager - Sustainable Development (GM SD) who brings to the role over 35 years' experience within the Company both offshore; and onshore in various offices and positions. (See article on page 35: *Simon Bennett, General Manager – Sustainable Development, recognised as one of the top sustainability leaders in Eco-Business's A-List*)

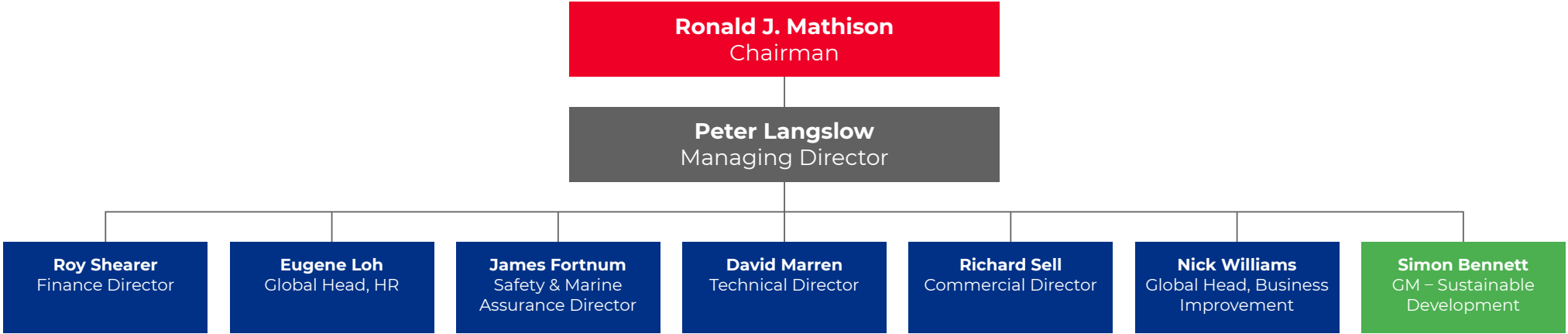
The GM SD reports directly to the Managing Director (MD) of SPO (and indirectly to the Global Head of Sustainability in the SD Office at Swire Pacific Limited in Hong Kong SAR),

enabling the provision of sustainability input in the early stages of relevant strategic decisions. Decisions made by the executive are then cascaded down through the organisation. Consideration of sustainability is at the heart of strategic decision-making by the SPO Executive team and supported by the Board members.

One of SPO's strategic objectives is to: "Manage our Business Sustainably". SD reports through the quarterly Divisional Environmental Report signed by MD to the Board of Swire Pacific Limited. Those reports include reporting on strategic and operational sustainability issues.

The composition of SPO's Management Committee is shown in the organogram, below.

SPO's Management Committee



There have been several changes in the composition of the SPO Executive team in 2019 due to the retirement / career change and Swire group management rotation programme. However, this has had no effect on the SD governance structure, and SPO's enduring commitment to sustainability remains as strong as ever.

The balance of the SPO Executive team from the age, ethnic and gender identity perspectives continues to be an issue for SPO. This is being addressed through Leadership Development training, succession planning and Diversity & Inclusion (D&I) strategy. We are aware that this will be a journey that must be undertaken prudently and will take time to deliver results. See "D&I" section for more information.

The interests of external stakeholders relating to SD are fed back to the SPO Executive team by the GM SD following stakeholder engagement, written feedback received through questionnaires or verbally. The "interests" include both risks and opportunities, and how we manage our economic, environmental and social impacts.

Employees are able to channel constructive comments to the Management Committee and / or ultimately the MD via outport / department heads, and / or in the case of governance and safety issues by directly reporting to the MD through the Designated Person Ashore (DPA) as legislated under the IMO (the UN Body with global authority over the international shipping industry) International Ship Management (ISM) Code. This seeks to facilitate safety at sea, prevention of human injury or loss of life, and avoidance of damage to the environment, in particular, to the marine environment, and to property.

We have in place two other formal whistleblowing procedures through which concerns on potential governance, social or environmental issues can be fed back quickly, and anonymously if required, to a senior

member of the Management Team. One is self-established internally, and one is in accordance with the International Labour Organisation (ILO) Marine Labour Convention (MLC) 2006 structure formal complaints procedure. Once a complaint is reported, all material concerns are formally tracked and addressed through relevant channels. Details of the DPA, MLC and whistleblowing procedures are posted in every worksite, ashore and afloat, in our internal monthly newsletter "*SPOtlight*" and on our website.

SPO continues to work closely with the parent company's Sustainable Development Office (SDO), its Group Risk Management Committee and various thematic Working Groups (under SwireTHRIVE strategy) to ensure a comprehensive, rigorous and coherent approach is maintained across all five Swire group operating divisions when considering all aspects of managing our SD-related risks and opportunities. The GM SD attends weekly and monthly Management Committee meetings

where he presents progress on the ongoing initiatives as well as upcoming movements in the regulatory area, nascent risks and opportunities and their potential impact on SPO's activities. This ensures that the SPO Executive team is fully aware of and understands any current or potential future aspects of the environmental, social and governance issues that may impact SPO's operations and thus to consider these proactively in their decision making.

Sustainability-related risks are managed through regular reviews of the risk registers as well as monthly and weekly management meetings. SPO also has in place a dedicated "Corporate Governance & Compliance Committee" that meets at least quarterly.

SPO's Sustainability Report is reviewed by the MD prior to its publication to ensure accuracy and inclusion of all material issues.



SPO continues to work closely with the parent company to ensure a comprehensive, rigorous and coherent approach is maintained across all five Swire group operating divisions.

SD Policies and Management Systems



Links

Sustainable Development Policy

<https://bit.ly/2AQ2Sfv>

Quality Policy

<https://bit.ly/3evybcZ>

Health and Safety Policy

<http://bit.ly/332JSUm>

Environmental Policy

<https://bit.ly/3fRMzOa>

Corporate Code of Conduct

<http://bit.ly/2GADZ7g>

Supply Chain Sustainability Code of Conduct

<https://bit.ly/3fLqgtl>

Modern Day Slavery Statement

<http://bit.ly/33C81Aj>

SPO has in place the SD Policy, Quality Policy, Health and Safety Policy, Environmental Policy, Financial Governance Policy, SPO's Corporate Code of Conduct (CoC) and Supply Chain Sustainability CoC. Those policies are supplemented by a number of Standard Operating Procedures (SOPs). SPO's anti-bribery policy is set out in our CoC.

These policies are top-level documents sitting above our Quality, Health, Safety and Environmental (QHSE) Management System, which is extensive and has been used across the Company and its fleet for many years. Together, our policies, Safety Management System (SMS), Quality Management and Environmental Management Manuals ensure that we operate fully in accordance with the latest revisions of the ISO 9001, ISO 14001 and (in respect of the intents of ISO 45001) the IMO ISM Code.

Our Corporate Governance system is a set of principles, policies, standard operating procedures and guidelines required for planning and executing our core business areas within the organisation that are aligned to international standards and best industry practices. These areas of the business have an impact on the organisation's ability to meet, and exceed client and legislative requirements.

In 2019, we successfully scoped, redesigned and digitised our Corporate Governance Manual (CGM). A thorough review of all internal policies and procedures was conducted and as a result, the CGM was redrafted and published on the electronic portal. The CGM portal is accessible to both our seagoing and shore-based employees, complete with audit trail tracking to ensure that these documents are maintained for accuracy and validity. We have built in an acknowledgement process which ensures employees familiarise themselves with all internal policies and procedures. CGM also forms part of the employee onboarding process.

The CGM acts as a "single source of truth" that will help develop behaviours in a coherent way to deliver an optimised process-driven and compliant culture – doing things in a standard way, consistently at all times reducing variations and exceptions to the way we operate our business.

Another significant improvement in digitising our internal processes was the commitment to the implementation of a new Finance System – *SwireSense*. For more information, please see "Achieving "Excellence in Offshore Marine Services"" section of the report.

Stakeholder Engagement and Materiality

We conducted materiality assessments at the end of 2019 and updated the list of material issues which are summarised and presented in a Materiality Matrix. This report has been written to address the updated material areas, as per GRI requirements.



Photo credit: **Jonathan Forrest**, Second Engineer, SPO

We conduct materiality assessments regularly through stakeholder consultation programmes that cover office visits (employees and clients), officer and crews' fora (for seagoing employees), training programmes (seagoing employees and industry partners) at SPO's flagship training centre in Singapore, Swire Marine Training Centre and on board our vessels (seagoing employees), shore-based employee induction programmes and many other *ad hoc* events such as media tours, presentations to clients etc. During client visits, we also engaged with some of our clients to better understand how they view what is important for SPO now and in the future.

Through our stakeholder engagements and surveys, we have identified and prioritised issues that our stakeholders regard as of material importance in the various components that make an organisation "Socially Responsible". We collected feedback on our performance in relation to sustainable development and presented it to SPO's senior managers.

We define stakeholders as internal and external interest groups who have a significant impact on our business or are significantly affected by our operations.

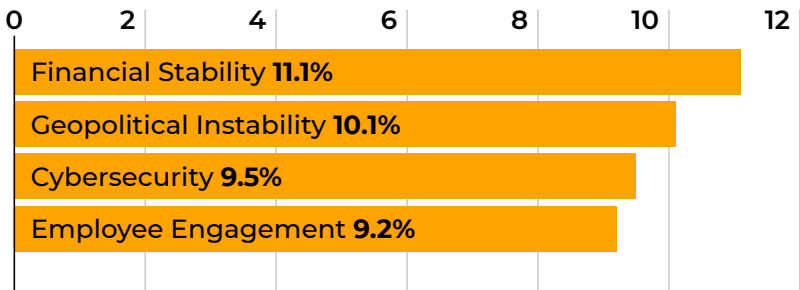
Throughout 2018 and 2019, we engaged with shore-based and seagoing employees, clients, NGOs, regulators and other stakeholders within our industry.

The objective of the materiality assessment is to evaluate our sustainability performance in light of the expectations of those inside and outside our businesses with whom we engage.

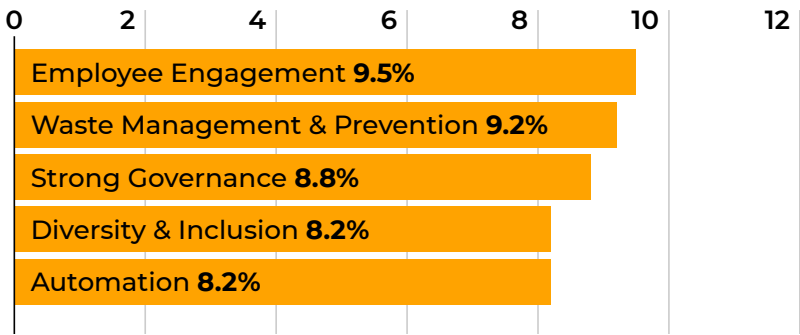
The Materiality Assessment process prioritised internal and external stakeholder top risks and opportunities as well as considered independent issues of concern to SPO and examined materiality issues of our peers. We have run the materiality prioritisation exercise with SPO's most senior managers from all main outports and Head Office. As a final step we sought approval of the Matrix from SPO's Management Committee. The updated Materiality Matrix can be found on page 118 and this report has been written to address key materiality issues.

Internal Stakeholders (Shore-based)

Top Risks

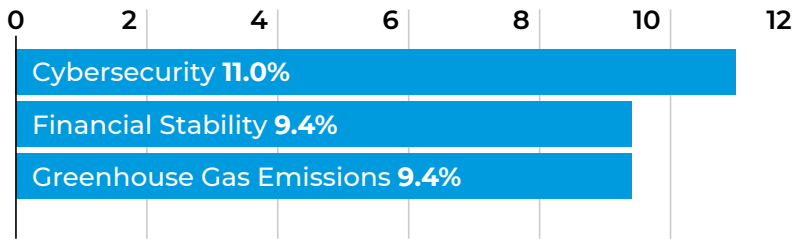


Top Opportunities

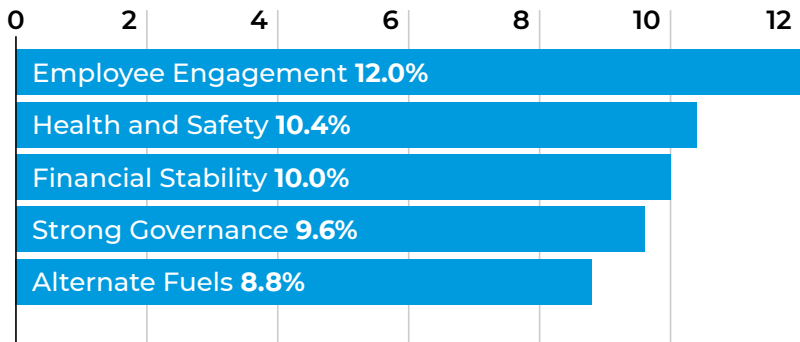


Internal Stakeholders (Seagoing)

Top Risks



Top Opportunities



For 'External Stakeholder Engagement' results please refer to page 117 in the "Data" section of the report.

You had your say and planted 40 trees

In November 2019, the SD team reached out to all shore-based employees to have a say on how SPO is managing various sustainability issues. The questionnaire also asked the employees to identify areas that may pose as a risk or create an opportunity for our business. In return, we committed to plant a tree for every three responses received.

As a result, we planted 40 trees in the Philippines, Indonesia and Thailand. This contributed to three of the United Nations Sustainable Development Goals (SDG):

- **SDG 10** - Reduced Inequalities
- **SDG 13** - Climate Action
- **SDG 15** - Life on Land

Trees were bought through EcoMatcher platform which offers companies to plant trees, working with NGOs and partner foundations around the world, and use them in innovative ways in their businesses.

As a result, we planted 40 trees in the Philippines, Indonesia and Thailand. This contributed to three of the United Nations Sustainable Development Goals.



40
Trees adopted



10,000
kgCO₂ sequestered



8
Families helped

Sustainable Development Strategy and Goals

Our SD strategy is fully aligned with the Swire group's environmental strategy: "SwireTHRIVE", which aims to mitigate operational risks and build long-term resilience by driving higher standards, greater efficiency, and increased innovation in key areas.



SwireTHRIVE currently covers these key issue areas:

Carbon, Waste, Water, Sustainable Materials, Biodiversity, and Climate Resilience.

SPO's SD Strategy (SPOTHRIVE) has three pillars which cover all these key issues and more. SPO's three pillars are:

- Thriving People,
- Thriving Environment, and
- Thriving Communities.

We have aligned our SD strategy with the relevant UN Sustainable Development Goals (SDGs) that the Company considers most important to its stakeholders. We have also aligned SPO's material issues to demonstrate the linkages between them. We report on how our organisational goals and actions contribute to helping achieve the wider sustainability agenda.

Our progress against those commitments and relevant SDGs is detailed on pages 122 - 125, see section "SDGs / SPOTHRIVE / Material Issues with Progress".

Because when we help the world in which we operate to thrive, so do we.

SUSTAINABLE DEVELOPMENT GOALS



Our progress in 2019 is included on pages 122 - 125, see section “SDGs / SPOTHRIVE / Material Issues with Progress”.

Anti-corruption, Anti-trust and Monopoly Practices

SPO takes a zero-tolerance approach to bribery and corruption and we are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate. SPO implements and enforces effective systems to counter bribery and corruption. This commitment is underlined in our CoC and Financial Governance Policy. We also take observing best industry practices very seriously and require both our employees and contractors to display the highest ethical standards.

SPO's requirement for probity, transparency and accountable conduct in all business dealings and the CoC is a condition of everyone's employment. We have in place compulsory training modules for all shore-based employees, through our online training platform. Training covers our CoC, UK Bribery Act (2010) and Anti-trust issues. The modules require employees to

pass the test upon completion to demonstrate their understanding of the regulations and our requirements.

All SPO employees must declare all gifts and hospitality given to them with value in excess of USD 150. Declarations are submitted to the HR team who check for compliance with the CoC. It is the responsibility of all SPO employees to prevent, detect and report bribery and other forms of corruption. Any issues or concerns can be reported using the Confidential Whistleblowing Hotline and are duly investigated by SPO's Executive team. See "Fines and Grievances" section on page 30.

Our own Internal Audit ("IA") department and the Swire group Internal Audit Department ("GIAD") formally audit all business units on a risk-based and rolling basis. The internal audits are conducted under SPO's Internal Audit Charter, and reported to the Audit Supervisory

Committee. The scope of the Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management process, system of internal control structure and quality of performance in carrying out assigned responsibilities to achieve the organisations stated goals and objectives. We report annually to our parent company in Hong Kong SAR.

We also take observing best industry practices in the area of Marine Anti-Corruption very seriously, especially given the historical prevalence in some areas for seeking "facilitation payments" to perform activities or provide services that are, and should be, a normal part of doing business, and SPO has been working with and submitting reports to the Maritime Anti-Corruption Network ("MACN") for a number of years to help remove this scourge from the marine sector.

SPO takes a zero-tolerance approach to bribery and corruption and we are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.



Cybersecurity

SPO takes these risks seriously and has identified cybersecurity as a material issue for business. We have a Cybersecurity and Information Classification Policy in place and recognise the importance of cybersecurity for both our offices and our vessels.

Cyber threats are evolving and changing rapidly. The “human factor” remains a vulnerable spot, where cybercriminals typically perform spear phishing to gain access to the network during this first stage of the attack.

SPO prioritisation towards addressing all the cyber risks remain, with the focus on:

- 1st Our People
- 2nd Our Processes, and
- 3rd Our Technologies

Phishing remains the number one method for cybercriminals and breaches are often caused by negligence and carelessness of employees who fall prey to phishing emails.

Cybersecurity education and awareness for all our employees at shore and sea continues, which covers

current and emerging threats: educating our employees on ways to identify potential cyber threats, staying safe online, and emphasising reporting of any suspicious articles.

We regularly review our infrastructure security by conducting periodic assessments to identify weak areas and vulnerabilities towards emerging threats. In 2019, we conducted a Compromise Assessment. The result of the assessment was “satisfactory”; however, we will continue to work on strengthening our identified areas to ensure our risks are continuously mitigated, as it may only take one failure to compromise all our systems. SPO continues to invest in cybersecurity technologies or solutions to ensure the organisation has in-depth cyber defence.



We have a Cybersecurity and Information Classification Policy in place and recognise the importance of cybersecurity for both our offices and our vessels.

Left: Photo by Thomas Lefebvre on Unsplash

Child / Forced and Compulsory Labour / Modern Day Slavery Act



As a business with both a history and an ethical framework of good employment practice, SPO is committed to providing good working conditions for our employees, according to universal international standards, and protecting their safety and health.

We recognise that modern slavery (which includes child / forced and compulsory labour) has become an increasingly visible and important issue and we take seriously all our moral and legal duties in this regard.

SPO's Code of Conduct requires the entire SPO group of companies to comply with all applicable local, national and international laws and regulations in each of the countries and regions in which it operates as well as SPO's Company policies. That requirement includes ensuring that SPO (and its suppliers) will not engage forced / child / bonded or prison labour, or apply unjustifiable disciplinary measures to our employees.

The Code of Conduct is supplemented by our Global HR procedures which ensure that pre-employment screening is done on all candidates to ascertain their age prior to the offer of employment. Our Supply Chain Sustainability CoC spells out all principles to which we require our suppliers to adhere covering, *inter alia*, forbidding forced and child labour.

As a business with both a history and an ethical framework of good employment practice, SPO is committed to providing good working conditions for our employees.

The definition of “child” adopted by SPO is aligned with that in the UNICEF / UNESCO “Convention on the Rights of the Child (1989)”, as “less than 18 years of age”. Whilst some countries of operation may have more specific local labour requirements that define a “child” as being younger than this, 18 years of age is the minimum we recognise.

The sole exception to this is that, in accordance with ILO Convention 138 (Minimum Age Convention, 1973) Article 6, we exclude from our definition of “labour” and “employment” any applicability to a person between the ages of 16 (as our strict lowest age limit) and 18, who is undergoing “a formal course of education or programme training being undertaken by young persons in schools for general, vocational or technical education or in other training institutions”.

SPO’s modern slavery compliance 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 Organisation (ILO) conventions.

SPO complies with both Australian and UK Modern Slavery Acts (MSA) and is publishing one statement covering both Acts for the entire SPO group of companies at the end of each financial year (ending on 31st December).

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

For more information on MSA-related actions taken in 2019 and planned for 2020, please see our Statement on Modern Slavery and Human Trafficking (2019) on SPO’s website. [*https://bit.ly/3djin8l](https://bit.ly/3djin8l)



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

Fines and Grievances



SPO has not been subject to any fines or sanctions for contravention of any laws or regulations globally, including those relating to infringements of environment, Health and Safety, anti-trust, bribery and corruption, data protection or employment law during calendar year 2019.

SPO has whistleblowing procedures* in place for both shore-based and seagoing employees to report any issues that they feel may negatively affect health, safety or environment, or relate to any regulatory areas mentioned above. This can be an entirely confidential process should the reporter so wish – at their entire discretion, and should the reporter not wish to receive directed follow-up.

We encourage SPO employees to use our whistleblowing channels and relevant management will then diligently investigate all reports.

*SPO whistleblowing hotline:
<https://swirespo.com/About-Us/Corporate-Governance>

The following numbers of issues were reported through this process during the reporting period:

- Potential H&S breaches / issues – three reported.
- Potential Breach of CoC with respect to Malpractice, Misconduct, Wilful Negligence etc. – two reported.
- Potential Breach of CoC with respect to Bribery, Corruption, Facilitation Payments etc. – two reported.
- Potential Cases of Harassment or Discrimination on any grounds, verbal or non-verbal (Ability, Age, Gender, Gender Identity, Race, Religion, Sexual Orientation etc.) – two reported.
- Misdirected (i.e. not a relevant DPA or whistleblowing incident) – two reported.

All reports were investigated, and dealt with appropriately, in line with the Company's policies and procedures.

SPO has whistleblowing procedures in place for both shore-based and seagoing employees to report any issues that they feel may negatively affect health, safety or environment.

Left: Photo by Shifaaz Shamoon on Unsplash

Supplier Management

SPO has a strong preference to work with suppliers who share the Company's commitment to honesty and integrity, and actively seeks to work with organisations that go beyond the standard requirements and strive to integrate principles of sustainable development into all areas of their business.



Our procurement system sets a number of requirements that businesses must fulfil to be accepted onto our Approved Vendor List ("AVL"). In addition to the necessary and standard business information, we require all our key prospective vendors to demonstrate their alignment with SPO's Supply Chain Sustainability CoC. The process of acceptance onto our AVL was under review for updating to align it with our new accounts package, *SwireSense*, at the end of 2019. It will be further detailed in our next SD report.

All suppliers initially perform a self-audit in order to be eligible to be included on our AVL. The questionnaire covers, *inter alia*, the main areas of sustainability-related risks and demands for verifiable evidence as to how they manage these risks. SPO then undertakes an internal risk-based assessment, identifying suppliers that should be physically spot-audited on site against the six main risk areas, viz. Environmental Performance, Health and Safety, Ethics, Governance, Labour Standards and Human Rights Compliance.

We require all our key prospective vendors to demonstrate their alignment with SPO's Supply Chain Sustainability CoC.

International regulations and standards for Anti-Bribery, Anti-Money Launder & Anti-Corruption, Sanctions Compliance, Modern Slavery and Personal Data Protection have all been addressed as applicable legislations have been introduced. They are incorporated within all SPO's Terms and Conditions of business. Confirmation of suppliers' acceptance and compliance with these provisions is a condition precedent of SPO conducting business transactions with them.

SPO is an end-user of equipment and consumables required for the operation and maintenance of its fleet of OSVs. It does not produce or process materials for its own or use of others. As such, the vendor on-boarding process is designed to ensure the integrity and responsible approach of the suppliers with whom we transact. Any potential or existing suppliers with whom we have significant concerns regarding the ethical and governance nature of their business practices are blocked and unable to be activated in our AVL listing.

SPO conducted a revalidation exercise on its supplier base during 2019 which resulted in the removal of approximately 100 companies from the approved supplier database, all due to them no longer being required to support our business. None were removed due to CoC or other SD concerns, and at year end 2019 there were just over 600 approved suppliers in the database.

The Group Procurement Policy and all related Standard Operating Procedures were rewritten in 2019. New templates and guidance notes were prepared, published and rolled out across the group's businesses in 2019.

In 2019, 21,000 transactions with a combined value of USD 89 million were initiated, with 11,000 of these having been fully completed at the end of the year at a total spend by the business of USD 53 million.



Photo by Sebastian Pena Lambarri on Unsplash

The Group Procurement Policy and all related Standard Operating Procedures were rewritten in 2019. New templates and guidance notes were prepared, published and rolled out across the group's businesses in 2019.

Awards Received

SPO wins *Excellence in Offshore Support Award* at the 2019 Lloyd's List Asia Pacific Awards held in Singapore

SPO clinched the *Excellence in Offshore Support Award* at the 2019 Lloyd's List Asia Pacific Awards ceremony held on 17th October at the Shangri-La Hotel, Singapore. The award ceremony was organised by one of the world's oldest and highly regarded shipping journals, Lloyd's List and is part of the Lloyd's List Excellence in Shipping Awards – the industry's flagship awards programme that recognises excellence across maritime sectors.

The award recognises outstanding maritime businesses that have demonstrated excellence in supporting the offshore energy industry through services or the operation of offshore service and supply vessels.

The judges commented, "In a tough market where survival can often be the mark of success, SPO impressed with what the judges described as "an overall excellent performance" this year. The sheer range of services provided was supplemented by a serious commitment to safety, the environment and the technological innovation."

"I congratulate all the people of the SPO group on this award; it feels great that you have been recognised in this way especially after all the travails and challenges that have faced our sector over the past four years. The award is a reflection of the quality and commitment of our entire team – our seafarers, marine and shore staff around the world."

Peter Langslow, Managing Director, SPO



Pictured above: Representatives from SPO present at the award ceremony.

In a tough market where survival can often be the mark of success, SPO impressed with what the judges described as "an overall excellent performance" this year.



Pictured above:

Peter Langslow, Managing Director, SPO receiving the award from **Captain M Segar**, Assistant Chief Executive (Operations), MPA.

SPO wins the *Singapore Registry of Ships (SRS)* Manpower Recognition Award at the 2019 SRS Forum held in Singapore

On 8th November, Peter Langslow, Managing Director, SPO, received the *Singapore Registry of Ships (SRS) Manpower Recognition Award* at the SRS Forum. The event was organised by the Maritime and Port Authority of Singapore (MPA), the government authority responsible for driving Singapore's port and maritime development and advancing the country's strategic maritime interests.

SPO won the *Manpower Recognition Award* for its strong commitment towards developing Singaporean seafarers and nurturing local maritime talents. This is the third time that SPO has received this award. SPO currently employs nine Singaporean officers, comprising various ranks from Master to 3rd Engineer.

SPO won the *Manpower Recognition Award* for its strong commitment towards developing Singaporean seafarers and nurturing local maritime talents.

This is the third time that SPO has received this award.

Simon Bennett, General Manager – Sustainable Development recognised as one of the top sustainability leaders in Eco-Business's A-List

Simon Bennett, General Manager – Sustainable Development (SD) was recognised as one of the top leaders in sustainability in the Asia Pacific region at Eco-Business's "A-List" event held in Singapore in November 2019.

A strong advocate of sustainable shipping, Simon has been championing SD programmes in Swire including purchasing virgin Atlantic rainforests in Paraguay to offset SPO's carbon footprint, recycling of vessels in a sustainable way, and investing in the education of today's youth, just to name a few.

Simon sits on the Board of Trustees of the Sustainable Shipping Initiative. He is also a member of the founding steering group of the Ship Recycling Transparency Initiative which provides a platform for shipowners to share data on their ship recycling process across a set of disclosure criteria and allows buyers and sellers to make informed decisions on vessel recycling.

He is also on the Singapore Management University Maritime Business Operations Track Advisory Council, a Director of the Singapore Environment Council. He also sits on the British Chamber Of Commerce (Singapore) Committees for their Sustainability and Responsibility, Transport and Logistics, and Diversity & Inclusion business groups.



Pictured above:

Simon Bennett, General Manager – Sustainable Development, SPO and The China Navigation Company (CNC), receiving the certificate from **Camilla Fenning**, Head, South East Asia Climate and Energy Network, British High Commission, Singapore.

Simon has been championing SD programmes in Swire including purchasing virgin Atlantic rainforests in Paraguay to offset SPO's carbon footprint, recycling of vessels in a sustainable way, and investing in the education of today's youth, just to name a few.

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Our People

SPO employees are the Company's key assets and we continue to invest in training and development. SPO aims to be the Employer of Choice by treating people with respect and providing them with good and safe working conditions, equitable remuneration and benefits.

We have an exceptionally diverse workforce of various religions and age groups with seafarers coming from 49 countries, shore-based employees representing 41 nationalities and we have offices in 21 countries and regions around the world.

We recognise that when our people are happy and motivated they perform better. Despite the challenging industry conditions since 2015, we have maintained our investment in training and development, and we continued to do so in 2019. The success of our Company is very largely the result of the consistent hard work and professionalism of our people, at sea and ashore. The quality of our work and our strong safety focus is recognised and appreciated by our clients; it is this reputation for safety, quality and reliability that sets SPO apart from our peer group.

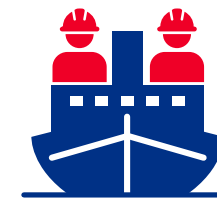


No. of employees worldwide:

2,854
people



497
Shore-based



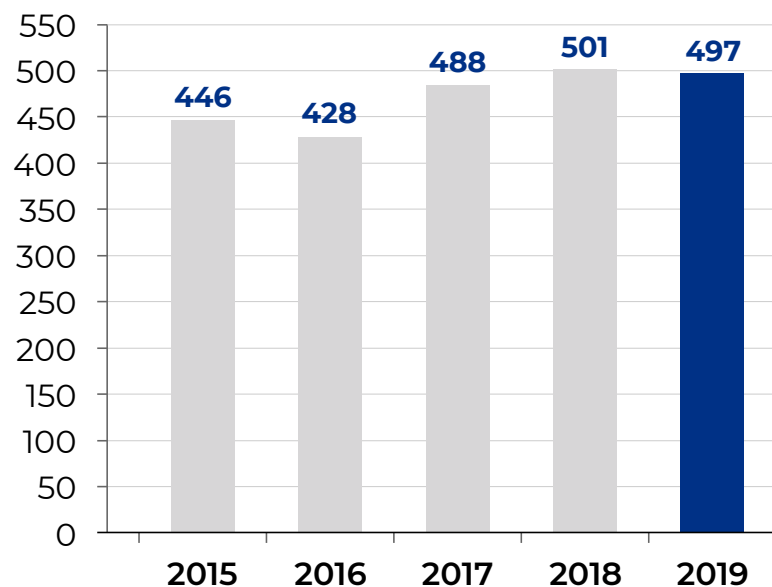
2,357
Seagoing



Employee Profile

At the end of 2019, SPO employed 2,854 people in various locations around the world. These employees came from 63 countries. 497 of our employees were shore-based, and 2,357 were seafarers.

Number of shore-based employees



Number of seagoing employees

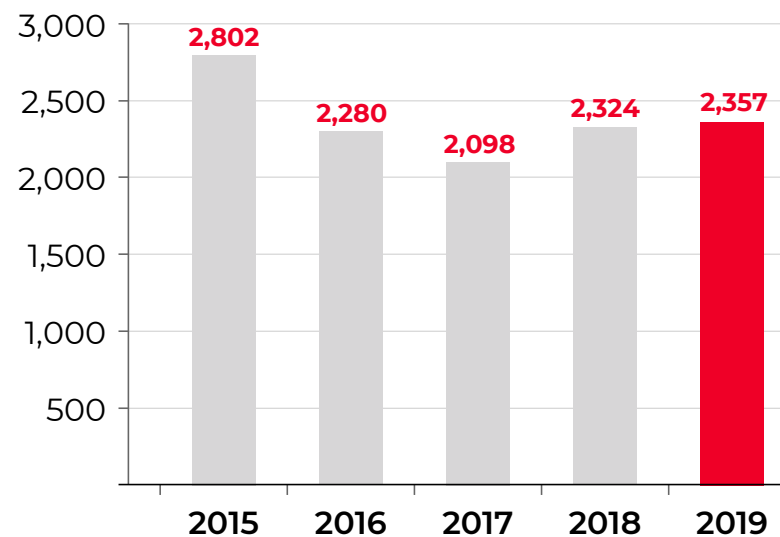




Photo by Mike Enerio on Unsplash

Our shore-based employees are based in 21 countries and regions around the globe, with five key* locations as follows:

Key locations (over 3%)

Singapore	229	46.2%
Norway	60	12.1%
Philippines	55	11.1%
United Arab Emirates	44	8.9%
Denmark	40	8.1%

With the remaining 13.6% being based in Angola, Australia, Azerbaijan, Brazil, Brunei, Cameroon, Equatorial Guinea, Ghana, Indonesia, Malaysia, New Zealand, Qatar, Russia, Taiwan region, United Kingdom and United States.

*key or significant locations are defined as having 3% of total number of employees and above

85% of our shore-based employees were classified as “local” in 2019. We define “local” as a national or permanent resident of the country of employment. The balance of 10% are classified as “expatriates” and 5% being contract employees.

Note that 18% of our expatriate employees are our parent company’s managers on rotation every 3 - 5 years or so across the wider Swire group. The rest have necessary industry specific competencies, very often ex-seafarers, and long-term career managers serving with the Company worldwide.

93% of our shore-based employees are employed on a permanent basis² with the remaining 7% being on temporary contracts. 99% of our shore-based employees were on full-time employment contracts.

Out of the total shore-based employees 29% were in managerial positions with the remaining 71% in support roles.

Breakdown of shore-based employees by employment contract and type as well as employment level and age group are provided on pages 44 and 46.

85% of our shore-based employees were classified as “local” in 2019. We define “local” as a national or permanent resident of the country of employment.

Local vs Expat employees

	Total no. of shore-based employees	Expat	Local
2015	446	14%	86%
2016	428	14%	86%
2017	488	10%	90%
2018	501	9%	91%
2019	497	10%	90%

²Permanent is defined as a contract with an employee, for full-time or part-time work, for an indeterminate period.

Shore-based Employees

Breakdown by office location



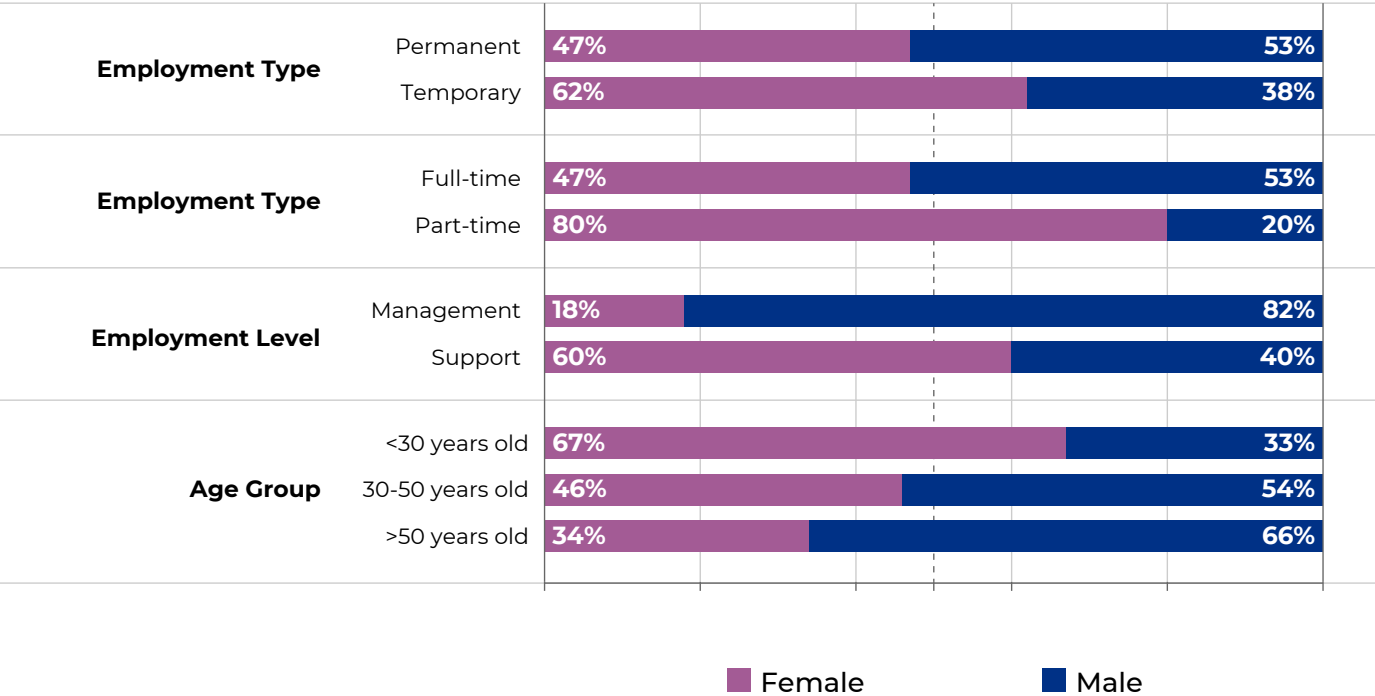
Our shore-based employees represent 41 nationalities and we have offices in 21 countries and regions around the world.

Breakdown by Gender Identity

All the seagoing employees of SPO are employed through dedicated industry-specific (and often geographically specific) manning companies, which are either wholly owned by SPO or have a direct contract with SPO as their principal. They are regarded as in-house, long-term employees³ and are certified in their professional competence in accordance with the statutory IMO Standards of Training, Certification and Watchkeeping for Seafarers (“STCW”) Convention of 2010 and, since 2006, the International Labour Organisation’s (“ILO”) Maritime Labour Convention. We have Collective Bargaining Agreement in place for SBO employees

and Enterprise Bargaining Agreement for Australian seagoing employees.

All of our employment contracts comply with relevant local employment laws. We provide additional benefits, often in excess of regulatory requirements, such as medical insurance cover, general accident insurance and paid pension arrangements or cash in lieu thereof for all seagoing employees and medical insurance for shore-based employees.



³Notwithstanding the legal requirement in the Philippines that all overseas Filipino workers are to be employed on a contract by contract basis, SPO seeks to re-employ Filipino seafarers on completion of their home leave, and given the length of service of most, regard these as “long-term employees within the constraints of local laws”.

All of our employment contracts comply with relevant local employment laws. We provide additional benefits, often in excess of regulatory requirements, such as medical insurance cover for all seagoing employees and medical insurance for shore-based employees.

Diversity & Inclusion (D&I)

We promote an inclusive workplace culture where our people can be themselves, perform their best and achieve their potential thus creating a richness of perspective and ideas that will add value to the business. We operate procedures for managing inappropriate behaviour within the workplace such as: harassment, bullying and physical and verbal abuse and provide support to employees affected as required.



SPO recognises the business benefits from the diversity of our workforce. We encourage both diversity and equal opportunities. A properly diverse workforce is one whose members are not discriminated against. Accordingly, we require full compliance with applicable employment and other laws and will not tolerate unlawful discrimination, harassment (physical or verbal) or other breaches of applicable laws.

Workplace Diversity & Inclusion (generally referred to as “D&I”) involves the Company and all of its employees recognising the inherent value of individual differences and then managing them to produce a welcoming and profitable workplace. Our commitment to promoting diversity in the workplace is documented in our CoC, as well as our Equal Opportunities, D&I and Respect in the Workplace (EODIR) Standard Operating Procedure (SOP), which is a part of our Corporate Governance Manual (CGM).

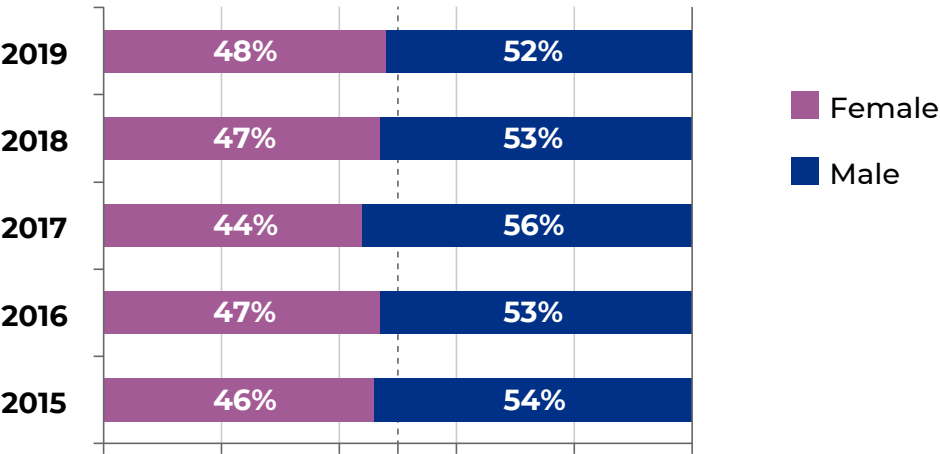
SPO formed a D&I Committee in 2019, which is responsible for drafting the relevant policies and procedures and implementing them at the Company level.

SPO recognises the business benefits from the diversity of our workforce. We encourage both diversity and equal opportunities.

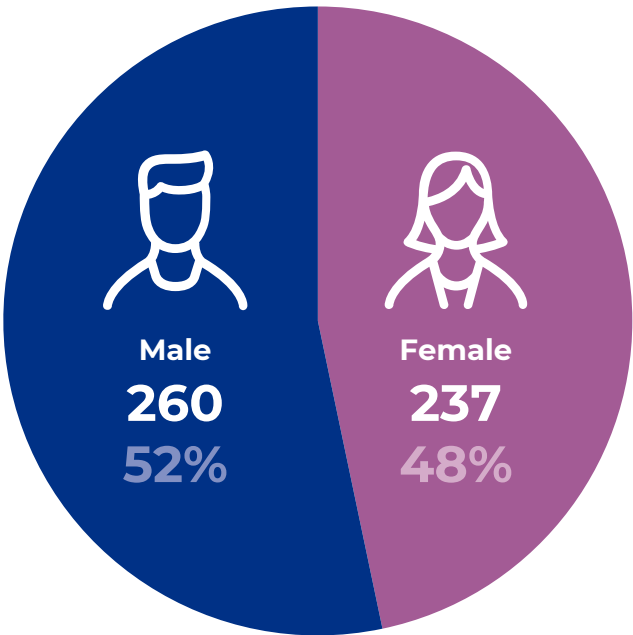
We have an exceptionally diverse workforce of various religions and age groups with seafarers coming from 49 countries, shore-based employees representing 41 nationalities and we have offices in 21 countries and regions around the world. We work towards ensuring that we have a cohesive, value-adding team, and that everyone is treated with respect.

In 2019, of the shore-based employees, 52% were male and 48% were female. This balance has been very stable over the past 5 years, with a small fluctuation of 2 - 3% demonstrating a relatively stable and proportionate overall distribution by gender identity.

Breakdown of shore-based employees by gender identity



Breakdown of shore-based employees by gender identity



We work towards ensuring that we have a cohesive, value-adding team, and that everyone is treated with respect.

The gender breakdown for our seagoing employees is heavily skewed, male to female, which is reflective of the shipping industry as a whole. Today, women represent only 2% of the world's 1.2 million seafarers and 94% of female seafarers are working in the cruise industry.*

*<https://bit.ly/3doU6D7> (www.imo.org)

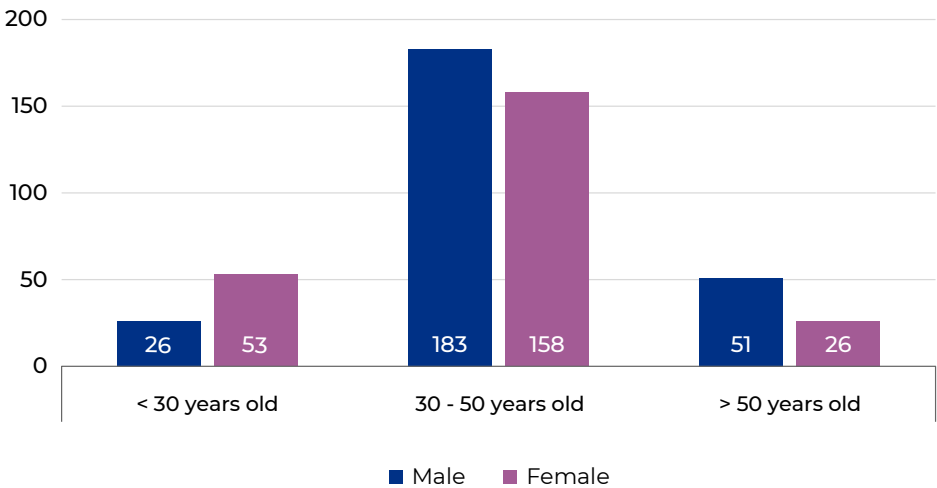
Among our seagoing employees, there were 28 females, which is only 1.2% of total number of seafarers. However, this represents a 33% increase from 21 in 2018 and we doubled the number of our female seafarers from 14 employed in 2017.

We continue to encourage more women to join the SPO fleet by creating a culture where women can feel safe and supported. In addition to our policies we provide a Confidential Whistleblowing Hotline to deal with any potential issues.

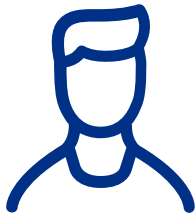
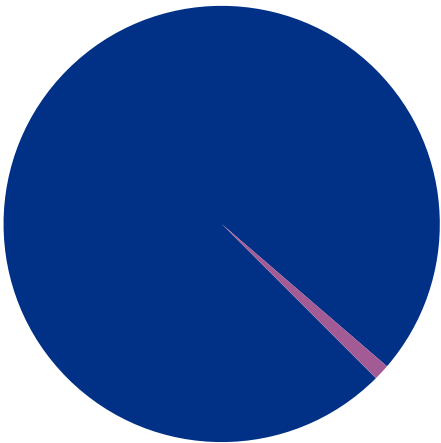
We have a comprehensive EODIR SOP, which aims to embed positive diversity, equality and respect of all into all our operations to ensure that we benefit from a welcoming, positive, innovative and outperforming work environment, which is essential to SPO's continued success. We run "Preventing Harassment and Discrimination in the Workplace" training module for all our shore-based employees.

The breakdown of our gender identity balance by age group shows that we hire more younger females. However, that balance shifts in the 30 - 50 age group towards male employees (16% higher) and then continues to shift further in the over 50 age group to having almost twice as many men as women.

Shore-based employees by gender identity and age group



Seagoing employees by gender identity



Male
2,329
98.8%

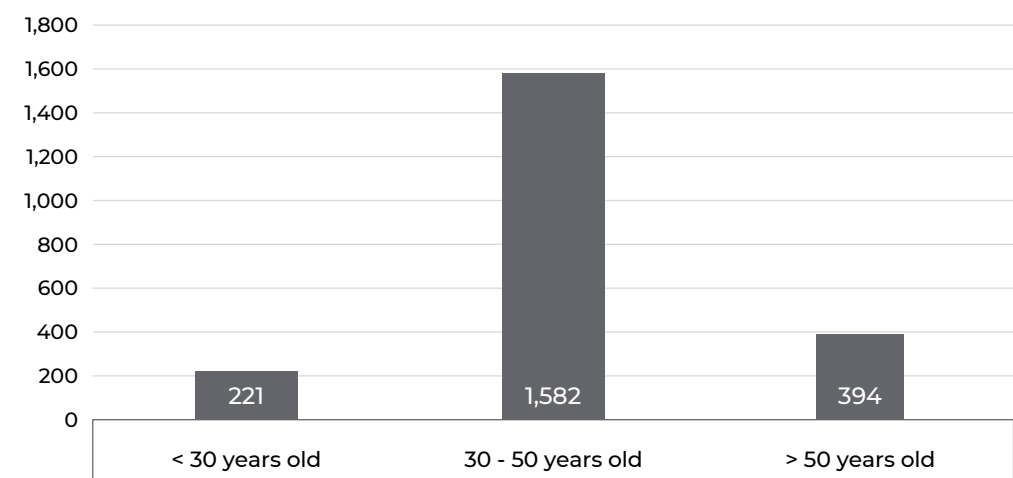


Female
28
1.2%

We continue to encourage more women to join SPO fleet by creating a culture where women can feel safe and supported.

Breakdown by gender for seagoing employees is not significant given the small number of females employed.

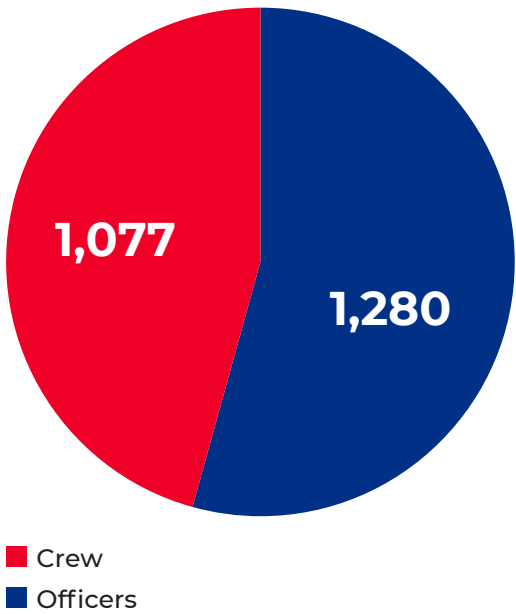
Seagoing employees by age groups



Breakdown by employment level and gender remains significant, as there are four and a half times more men in managerial positions than women (82% vs 18%).

We are acutely aware of this imbalance and are planning to address it through our D&I initiatives in the future. See page 46 for statistics showing further breakdown of shore-based employees by employment contract, employment type, employment level and age group.

Seagoing employees by employment level

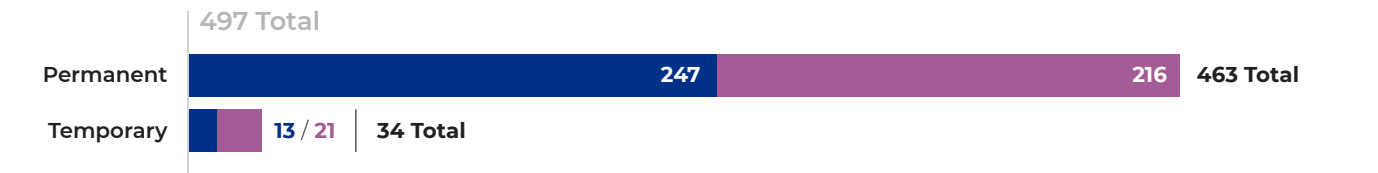


Number of shore-based employees broken down by gender identity and job type / level

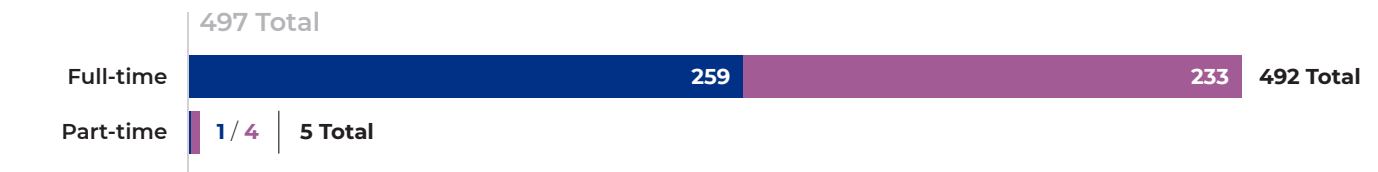
Female Male



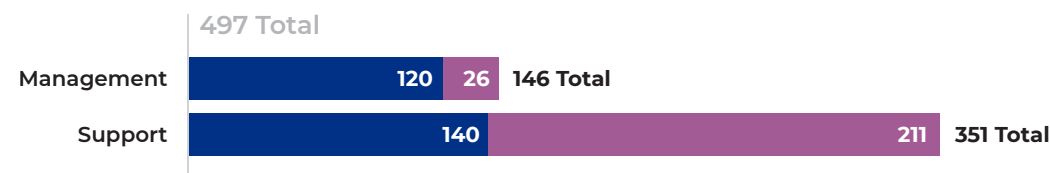
Type of employment



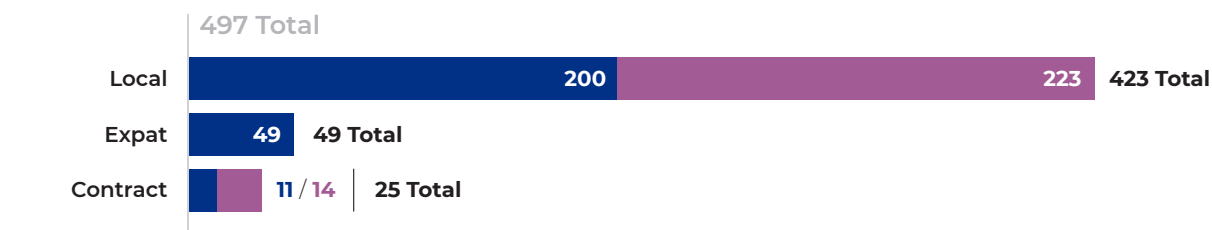
Full / Part-time



Level type



Type of contract



Our equal opportunities practices commit us to ensuring there is no unjustified discrimination in the recruitment, retention, skills training and competence development of our employees on the basis of aspects including: age, disability, ethnicity or ancestry, family responsibilities, gender identity, language (whilst noting that proficiency in the English language is a legal requirement of the marine industry), marital status including civil partnerships, nationality, political views, pregnancy, race, religious beliefs or creeds, or sexual orientation.

SPO's management works to provide equality of opportunity to all of its employees wherever they are based and ensure that there is no discrimination on the basis of educational background, or life experience. SPO's aim is to have a workforce that as far as practical reflects the diversity of the stakeholder communities in which its business units operate worldwide.

SPO is a member of the Women's International Shipping & Trading Association (WISTA International) Singapore chapter. WISTA International is an international networking organisation whose mission is to attract and support women, at the management level, in the maritime, trading and logistics sectors. We are also a member of Diversity & Inclusion in Asia Network (DIAN) through our parent company in Hong Kong SAR. (DIAN is the leading network for companies and professionals committed to advancing diversity and inclusion in their organisations in Asia, facilitated by the Hong Kong SAR NGO, "Community Business").

The Swire group has in place the Swire Diversity & Inclusion Steering Committee (S-DISC) which has the mandate to define the overall approach to diversity & inclusion, setting overall parameters, guidelines and timetable for the Swire group's operating companies, and lead by example in terms of the implementation of this framework. SPO is a member of the S-DISC and is working on implementing the D&I framework and policies aligned with the Swire group's D&I strategy.

SPO's aim is to have a workforce that as far as practical reflects the diversity of the stakeholder communities in which its business units operate worldwide.

SPO employees learn more about Diversity & Inclusion in the workplace and participated in *Pink Friday* initiative to show support for the LGBT+ community

On 13th November 2019, Olivia Wong, Head, Diversity & Inclusion (D&I) Development, John Swire & Sons gave an enlightening presentation on Swire group's D&I efforts to a group of SPO and CNCo employees held at SPO's Head Office in Singapore.

She highlighted various D&I activities and initiatives organised by companies across the Swire Group focusing on five areas including gender identity, ethnicity, age, disability and sexual orientation and upcoming plans. As part of Swire's *Pink Friday*, SPO colleagues sported pink attires to show support for the LGBT+ community.

SPO's newly established D&I Steering Committee (DISC) is tasked with the work of defining and articulating SPO's Diversity & Inclusion strategy, which will lean on the extensive work done by John Swire & Sons and Swire Pacific Limited.

*Pictured below: SPO employees sporting pink attires during *Pink Friday* to show support for the LGBT+ community.*



Women's International Shipping & Trading Association (WISTA International) and WISTA Singapore

Formed in 1974, the Women's International Shipping & Trading Association (WISTA International) is a global organisation connecting female executives and decision makers around the world. WISTA International promotes increased competency and diversity throughout the maritime sector. In the past 45 years, WISTA International has achieved amazing growth, both in numbers and influence. There are currently 47 national chapters with over 3,000 members worldwide.

In 2017, WISTA International was awarded the *Safety4Sea Sustainability Award* and entered into an MOU with Institute of Chartered Shipbrokers (ICS) to award scholarships to females seeking diploma certification at ICS.

In 2018, WISTA International became a consultative member of the International Maritime Organisation (IMO). This is a significant recognition of WISTA's role in the global maritime community. WISTA is also working very closely with the IMO to organise conferences, social media events, and raise awareness of what needs to be done to increase female participation in the maritime community.

WISTA Singapore was the first WISTA chapter to be founded in Asia in 1998 and is a non-profit organisation which provides a networking forum for professionals involved in shipping, trading and related business within the maritime industry. WISTA Singapore regularly holds networking events and seminars to give members opportunities to develop domestic and international business relationships among members, creating opportunities to advance careers, cooperate, increase professional experience and skills, share best practices and work across borders. As at May 2019, there were a total of 72 individual members and 16 corporate members.

Describing its activities, Magdalene Chew, President of WISTA Singapore who has held the position since August 2015 says, "We hold a variety of events which have to cater to our very diverse membership. We have lawyers, bankers, shipowners, brokers, etc. so the topics have to be interesting to all."

She also commented as follows on women's role in the maritime industry – "Singapore's maritime roots run deep and wide and even today, it remains very much an integral part of our economy. The maritime industry is important to everybody because almost everything we use and have come here on a ship. It's not an industry that will fade away so job stability is not an issue. Physicality is much less of an issue because of technological advancements.

Therefore, I would urge women thinking of a maritime career to be open minded and make informed decisions. It is the path less trodden so of course it would be the more challenging track. There will always be the naysayers, but if you take the path less trodden it will inevitably make you brave, strong, adventurous and resilient, and with these attributes, success in any area is almost guaranteed."



Pictured above: Members of the WISTA Singapore Management Committee.

Retention and Turnover

SPO continuously strives to be an Employer of Choice and is making every effort to retain valued employees whether at sea or ashore throughout the industry downturn.



The retention rate for seagoing employees increased to 95% in 2019 from 89% in 2018.

For our shore-based employees, the retention rate has also increased to 85% from 81% the year before.

Turnover by key location is within industry and country level norms, with Singapore continuing to have a high turnover rate (at 19%) which is consistent year-on-year. Singapore employees have the highest expected turnover rate in Asia Pacific, with 46% likely to leave their jobs within a year.*

[*https://bit.ly/2XXrf2k](https://bit.ly/2XXrf2k) (www.hcamag.com)

Turnover rates in key locations as a percentage

Country / Region	Turnover Rate
Denmark	13%
Norway	12%
Philippines	7%
Singapore	19%
United Arab Emirates	7%

For details on the new hires and turnover rate by age group, gender identity and region see pages 127.

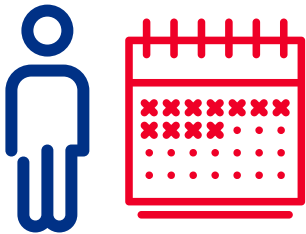
Employer of Choice

SPO has been shown to be the Employer of Choice for many of our seagoing and shore-based employees. We have a rewards and recognition programme in place which rewards loyal long serving employees and their ongoing contributions to the business by presenting them with Long Service Awards. In 2019, we issued 162 awards to employees ashore and at sea for lengths of service from 10 - 35 years. These represent a total of 2,225 years of service for awards given in 2019.



The average length of service was 6.23 years for shore-based employees and 7.15 years for our seagoing employees.

Years of service for the past three years



Long Service Awards

Years of Service	Shore	Sea	Total
10 years	12	76	88
15 years	5	38	43
20 years	3	16	19
25 years	0	9	9
30 years	1	1	2
35 years	0	1	1

2017
2,920
years of service

2018
2,030
years of service

2019
2,225
years of service

Pay and Remuneration

We are committed to offering fair and market competitive remuneration. Terms and conditions of employment take the form of collective agreement or personal contracts and the total reward received by an individual reflects their role and contribution.



SPO is an equal opportunity employer and all employees are hired solely based on their ability to meet the relevant job description.

SPO is an equal opportunity employer and all employees are hired solely based on their ability to meet the relevant job description. Remuneration packages are set according to the local market rates for the specific skill set and experience.

Salaries are set by the internal Compensation and Benefits Department and in accordance with the local geographical market guidelines in order to attract and retain the best talent. Executive pay is determined through advice from external consultants who benchmark data from similar organisations in our sector and locations.

For seagoing employees, pay negotiations are undertaken collectively with relevant international or national bodies, and administered under Collective Bargaining Agreements (CBA) and Enterprise Bargaining Agreements (EBA) in accordance with MLC 2006.

SPO does not provide performance-based standard pay, equity or shares as part of remuneration packages regardless of seniority. Discretionary bonuses may be awarded for performance. Pensions are provided as per statutory requirements.

Termination payments are made in accordance with local law(s) and contracted notice periods. Notice periods may range globally from one month for more junior employees to three months for more senior employees.

As part of our D&I initiative we examined the levels of pay between men and women in the same job grades in various geographic locations, and found that there is no unjustified pay gap within the group. We also aim for gender-blind recruiting, encouraging retention of females to fill more senior roles and support for their circumstances as they follow their career path to redress the imbalance at senior levels. This work is ongoing.

Performance Management

A defined performance management process is deployed annually. Appropriate feedback, coaching and training is included in the performance and development planning process. Any performance shortfalls are managed in accordance with defined procedures.

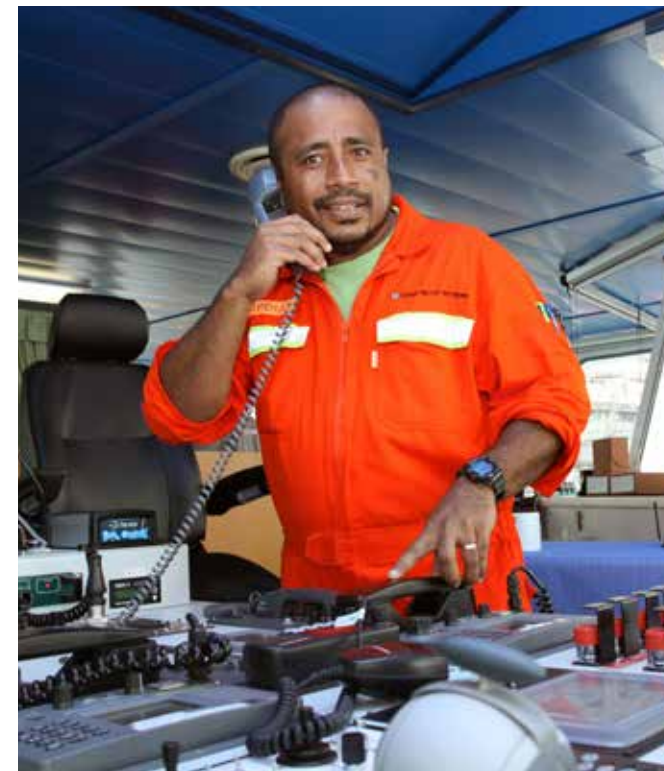
All seagoing employees receive a performance evaluation review conducted by the Master and / or the Chief Engineer at the end of their tour of duty on board a vessel. The performance reviews for the Masters and Chief Engineers are conducted by the controlling Outport Managers, based on the location of the vessel at the time of their signing off. The appraisal reviews the specific skills set, personal characteristics, teamwork and leadership qualities, among others. The process identifies areas for improvement and training opportunities as well as individual strengths, and these are fed into the recognition and promotion programme.

For shore-based employees, performance management is done using the internal *SwireConnect* software. Performance assessments include a review of SMART goals, performance against Swire values and job competencies. All shore-based employees in all locations undergo the performance appraisal process which is the key component of our performance culture.

Swire Leadership competencies and Swire values are the basis of the structured competency-based interview and performance management framework used in SPO. 'Developing Potential and Enhancing Performance' and 'Competency Based Interview Guide' were developed to support and educate employees on SPO's structured Performance Management and recruitment processes.

SPO uses the competency-based interview techniques, to ensure we hire the right person for the right role. In addition, we use this framework for our Management Trainee programme, in which our trainees are provided with relevant competency training that would help them to succeed and progress within the organisation.

100% of SPO employees are receiving regular performance and career development reviews.



100% of SPO employees are receiving regular performance and career development reviews.

Commitment to Training and Development

SPO recruits, trains and develops its employees for the long-term. The Company places strong emphasis on lifelong learning and is committed to providing training to equip our employees, both at sea and ashore, with the highest standards of training.

The Company invests in discretionary training, materially above any non-discretionary statutory requirements, to enhance the safety, quality and professionalism of our operations. Our flagship training facility, SMTC, provides seafarers ongoing training to ensure a consistently high standard of operational excellence is maintained across the Company's diverse fleet. The Centre is one of the most advanced of its kind in the offshore industry and among the first of such facilities in Asia.

Despite the material downturn in the global Oil and Gas E&P industry over the past five years, our commitment to training and development of our seagoing employees remains very high. Over the 12 months of 2019, we trained 1,362 people on various courses at SMTC, equating to a total of 42,936 training hours.

This represents more than a 70% increase in the number of people trained in 2018. The total number of seagoing employees that attended discretionary courses across our various geographical locations was 2,638, with the overall number of training hours being 73,048 (inclusive of SMTC figures). The non-discretionary courses were attended by 924 employees with 36,775 hours of training spent.

Training cost as a percentage of the wage bill for the two employee groups was as follows:

Shore-based: **2.8%**

Seagoing: **3.7%**



The Company invests in discretionary training, materially above any non-discretionary statutory requirements, to enhance the safety, quality and professionalism of our operations.

First Senior Officer Leadership Programme at SMTC

On 2nd March, SPO HR launched the inaugural training session, Senior Officer Leadership Programme (SOLP) at the Swire Marine Training Centre (SMTC). The SOLP is adapted from the Swire Leadership Team Leaders' Development Programme and further co-developed by SPO's Senior Talent Manager and Technical Instructor, to be more beneficial for our seafarers.

SOLP aims to complement our seafarers' technical skills with “softer” leadership and interpersonal skills so that they can be more efficient at work, build better relationships and manage teams and conflicts more effectively. Through this training, participants will be able to discuss challenges they face at work, interact with fellow seafarers on pertinent topics and learn how to become better leaders so as to forge cohesive teams on board. The two-day programme was delivered in an engaging way through lectures, discussions, reflections and game activities.

The programme focused on Self, covering topics from awareness, empathy, listening skills, to Team, covering topics from dynamics, leadership models and conflict resolution. Participants also gained a basic understanding and application of DISC (Dominance (D), Influence (I), Steadiness (S) and Conscientiousness (C)) tools and theories.

SOLP aims to complement our seafarers' technical skills with “softer” leadership and interpersonal skills so that they can be more efficient at work, build better relationships and manage teams and conflicts more effectively.



Pictured above:

SPO's seafarers with SMTC training instructors, SMTC colleagues, SPO's HR team representatives, **Nick Hall**, General Manager, Marine Manning and **Ian Offland**, Safety and Marine Assurance Director.

Through this training, participants will be able to discuss challenges they face at work, interact with fellow seafarers on pertinent topics and learn how to become better leaders so as to forge cohesive teams on board.

For our shore-based employees, we provide learning and development through induction training modules, role-based performance assessments, job rotations, classroom-based training, online training, mentoring, coaching, career development, personal development and other learning growth opportunities. We continue to run in-house training programmes covering a number of areas from Business Improvement to Leadership Development.

The number of training hours for shore-based employees was 3,208 with a total of 197 employees receiving training. Training expenditure on training courses was USD 553,975, demonstrating a significant investment in our talent. Shore-based employees continue to have access to an extensive selection of online courses on software, creative, and business skills.

In 2019, *Percipio* – an e-Learning portal was launched to offer a convenient platform for employees to drive their own learning with many programmes available at their fingertips. External trainers are engaged to provide training programmes such as “*Train-the-Trainer*” and “*Selling Your Message*”, just to name a few.

Training hours by job level and gender identity and average number of training hours per shore-based employee can be found on page 128 in the “Data” section.

The number of training hours for shore-based employees was 3,208 with a total of 197 employees receiving training.

Employees receive DISC training and certification

In March, five employees from Crewing, HR, SPSM and Swire Marine Training Centre (SMTC) were successfully certified as DISC Trainers by Mike Loh, Trainer, CEO of Starting Point Pte Ltd. This is part of SPO's ongoing efforts to nurture and develop talents within the Company.

DISC is a behaviour assessment tool based on the DISC theory of psychologist William Moulton Marston, which centres on four different personality traits, namely Dominance (D), Influence (I), Steadiness (S) and Conscientiousness (C). This tool is currently used for recruitment of new joiners to the Company and for promotion exercises for seafarers administered by SPSM and CAD.

The workshop aimed to equip SPO employees with relevant knowledge and skills to understand, administer, and interpret the DISC profile, and learn how to process the data / report and apply the DISC concepts and tools in different work contexts. The programme was well received, participants were engaged with robust conversations and explored possibilities of how best to incorporate the use of DISC in their areas of work.



Pictured left: Five employees from Crewing, HR, SPSM and SMTC photographed with **Mike Loh**, Trainer (third from left).

We invest materially in discretionary training, in addition to many non-discretionary statutory requirements, to enhance the safety, quality and professionalism of our operations.

Career succession planning is an important element of SPO's strategy for achieving its future growth and success. Succession plans are developed for shore-based employees within their departments and outposts with the assistance of SPO's Talent Management team; and for offshore positions by the Competence Assurance Department.

Our Management Trainee programme and Leadership Development Programme are an important part of our succession planning for shore-based employees.



Training

Delivering consistently high levels of reliability and quality

- ★ **197 shore-based employees** trained
- ★ **1,362 seagoing employees** trained at SMTC
- ★ **2,683 seagoing employees** attended discretionary training
- ★ **Over USD 3 million** spent on discretionary courses
- ★ **924 seagoing employees** attended non-discretionary training
- ★ **6 participants** completed Operational Leader Development Programme (OLDP)
- ★ **12 participants** completed Team Leader Development Programme (TLDP)

Competence Assurance

In order to ensure that SPO's vessels are manned with dedicated, qualified and proficient seagoing personnel, SPO has an in-house Competence Assurance Department (CAD).



CAD helps to identify, monitor and plan the training of our officers and crew. This system ensures that we cover all training needs, with courses delivered either internally or externally depending on the requirement.

The CAD team is actively involved with our Cadet training process: from recruitment of the Cadets through to their graduation from college. We currently have Deck, Engine and Electrical Cadets undergoing training from nationalities including; British, Cameroonian, Filipino, Ghanaian, Mexican, Nigerian, Papua New Guinean and Singaporean.

Training is also provided on board SPO's vessels by our own Fleet Operations Superintendents and Cook Trainers, as relevant, as well as by running regular safety drills. SPO also provides discretionary Back Deck Safety training for deck crew at accredited Training Centres in the Philippines.

In order to improve standards of service delivery, improve quality and reduce food waste, SPO employs Cook Trainers to visit the vessels in our fleet worldwide to instruct the fleet's Cooks, with an emphasis on safe and hygienic practices in the vessels' galleys, and delivery of nutritional and healthy meals.

Our Cook Trainers also organise professional upskilling courses to increase Cooks' competence levels to provide healthier and more varied meals to our employees and our clients on board, with reduced waste.

SPO runs a 15-day "Cooks' Upgrade" course in conjunction with staff at the United Marine Training Centre (UMTC)

in Manila. This course is being delivered at the Catering Upgrade Facility at UMTC, which was specifically designed and built to deliver it.

The course is attended by our Cooks from all regions and nationalities and is well received by all attendees. The feedback from the fleet remains positive. A 12-day pilot refresher course was conducted monthly throughout 2019.

The Catering Manual, introduced in 2017, assists the Catering Department to enhance the standards on board as well as providing further guidance and accountability for the duties handled. This is in addition to the Culinary Upgrade course that is being provided to all our Cooks.

The number of discretionary training programmes SPO provides for our seagoing employees is extensive and covers the following:

- Safety Management Training
- Advancement Evaluation:
 - The mandatory assessment of eligibility for promotion from Chief Officer to Master, and from 2nd Engineer to Chief Engineer
- Officer and Engineer assessment
- Vessel and equipment specific training
- Back Deck Safety
- Culinary courses
- Cadet Induction
- Wellness training
- Fleet Operations Superintendents on-board training
- Cook Trainers' on-board training

Employee Well-being

We operate systems to prevent work-related ill health, to check that employees are fit for duty as well as promote employee health and well-being. We aim to support employees to achieve a balance that is right for the individual between work and life outside of work, and support those with caring responsibilities.



SPO is committed to nurturing employees and communities where we operate our business. In 2019, SPO Head Office formed its employee wellness committee, SPARK, in Singapore to nurture a happier workforce. Volunteers from various departments work together to plan activities aimed at improving employee welfare through fitness, wellness, arts, community partnerships and environmental initiatives. There are regular fitness sessions, music lessons and art jamming organised for employees.

In October, SPO launched a Health & Wellness campaign in conjunction with *World Mental Health Day*. Talks on stress management techniques, empathic listening and peer counselling were held to impart knowledge and support SPO employees.

SPO organises the quarterly talk series, *Lunchtime Takeaway* sessions and invites speakers from non-profit organisations and charities to share insights on sustainability topics, health and social issues from shark conservation, to ocean plastic and suicide prevention.

In December 2019, working in partnership with the Sailors' Society, we were pleased to announce that we had established a dedicated crisis helpline and supporting 'chat' application for our seagoing employees. The helpline and chat function are available around the clock and are staffed by professionally-trained advisors and counsellors. All correspondence and communication remains strictly confidential. Both services can be used by any employee who may be experiencing personal difficulties and would like help, advice and support from a third-party. This service goes hand in hand with a three-day "Wellness at Sea" course that is facilitated by the Sailors' Society and is included in the list of training requirements for all of our employees.

The helpline and chat function are available around the clock and are staffed by professionally trained advisors and counsellors. All correspondence and communication remains strictly confidential.

Sailors' Society – your lifeline at sea

Working in partnership with the Sailors' Society, SPO has a dedicated crisis helpline and supporting 'chat' application for our seagoing employees. Both services can be used by any employee who may be experiencing personal difficulties and would like help, advice and support from a third-party.

The helpline and chat function are available around the clock and are manned by professionally trained advisors and counsellors, all correspondence remains strictly confidential.

The chat function is compatible on both desktop and mobile devices and can be accessed via the following link: <https://bit.ly/36TaN79>



ARE YOU A SEAFARER IN CRISIS?

CRN
CRISIS RESPONSE NETWORK
SAILORS' SOCIETY

SWIRE PACIFIC OFFSHORE

This 24/7 service, in conjunction with Sailors' Society, is available free-of-charge for any Swire Pacific Offshore employees who are experiencing personal difficulties and would like help, advice and support.

The helpline is manned by professionally trained advisors and counsellors and is completely confidential. You can either call **+1-856-888 9966** or use the online chat at www.wellnessatsea.org/swire-pacific-offshore



Sailors' Society
Registered Company No. 86942. Charity No. 237778.
Charity registered in Scotland No. SC041887. Registered in Scotland No. SC387850.

Both services can be used by any employee who may be experiencing personal difficulties and would like help, advice and support from a third-party.

Talk on suicide prevention and awareness at SPO Head Office as part of ongoing Health & Wellness campaign

SPO organised “Suicide Prevention & Awareness: Things You Need To Know About Suicide” workshop held at SPO’s Head Office in Singapore.

Conducted by SPO’s wellness committee, the talk was held in conjunction with World Suicide Prevention Day and was part of the ongoing Health & Wellness campaign which aims to raise awareness to a variety of health and wellness issues through lunchtime talks and activities.

The speaker was Wong Lai Chun, Senior Assistant Director, Samaritans of Singapore (SOS). SOS provides confidential emotional support to individuals facing a crisis, thinking about, or affected by suicide. SOS is part of the Befrienders Worldwide Network, whose main role is to provide emotional support services for people who are suicidal and / or in distress.

During the insightful talk, the speaker provided participants with a better understanding of the work that SOS does, and useful tips on what to say and avoid when you are talking to someone who is in distress.



Pictured below:

Wong Lai Chun (dressed in blue), Senior Assistant Director of Samaritans of Singapore (SOS) sharing with SPO employees more about suicide statistics in Singapore.

During the insightful talk, the speaker provided participants with a better understanding of the work that SOS does, and useful tips on what to say and avoid when you are talking to someone who is in distress.

Achieving “Excellence in Offshore Marine Services”

To achieve SPO's vision of “Excellence in Offshore Marine Services” the Company set up a formal Business Improvement (BI) department in 2013 and launched a Company-wide improvement programme.

The programme serves to satisfy our clients and stakeholders through improving quality of service delivery, minimisation of waste and safety of our operations.

The BI Department focused on four key areas:

1. Addressing our strategic business priorities through best practice project management principles that significantly involves and drives accountability of our Executive team.
2. Our operational and functional business units' heads work closely with their teams to identify, optimise and improve any inefficiencies in their work processes by applying Lean methodology and best practice Quality tools.
3. Constantly looking at our organisational culture and change management methods. This addresses the way we *Think*, *Act* and *Interact* at all levels of the organisation and within the various areas of our operations.
4. Ensuring that Corporate Governance is aligned to international standards (ISOs). These areas of the business have an impact on the organisation's ability to meet clients' and legislative requirements.



To achieve SPO's vision of “Excellence in Offshore Marine Services” the Company set up a formal Business Improvement (BI) department in 2013.



Photo by Emre Gencer Lambarri on Unsplash

In 2019, BI championed the successful re-scoped, re-designed and digitalisation of our Corporate Governance Manual (CGM). See “Governance” section of the report for more information.

Another significant improvement in digitising our internal processes was the commitment to the implementation of a new Finance System – *SwireSense*. The need for a review and overhaul of the financial system was first identified through the Project Prioritisation process and set up as a Significant High Impact Project (SHIP). The journey began in 2017, reviewing SPO's finance core processes and optimising them through the use of lean tools. Once the processes were standardised and prepared for automation, tender process was initiated to source for the best-in-class system that is fit for SPO's finance operations. The launch of *SwireSense* in early 2020 will mark a significant milestone in the Company's Improvement Journey to Excellence.

As part of SPO's improvement efforts in standardising and automating processes, the company's Vessel Management System has also come under review. In October, a two-week workshop was conducted, engaging all relevant business units that support our vessel operations to come together and take a deep dive into assessing the processes operations and identify areas for improvement. This workshop was orchestrated in a structured manner using lean tools and techniques. The improvement action items will form part of the specifications for the new Vessel Management System.

We understand that SPO's client base is both internal and external and we seek to demonstrate leadership through the involvement of people (stakeholders). We apply and retain focus on a process and systems approach, recognising that there are always areas for continuous improvement and factual, data driven decision-making to ensure sustained improvements are achieved.

Another significant improvement in digitising our internal processes was the commitment to the implementation of a new Finance System – *SwireSense*.

4 | Safety

64 Safety Always Comes First

66 ISM

68 Safety Performance
Near Miss and Hazard Identification

Safety

Safety is at the core of everything we do. We continue to work towards achieving Zero Harm to our people and zero pollution incidents. Our strong focus on people and training are key factors that underpin our commitment to safety and quality.



Safety Always Comes First

The safety of our people and assets underpins everything we do. SPO is committed to achieving its strategic objective of Zero Harm. As part of our continual improvement journey we undertook the following safety incentives and enhancement projects:

1. Simplified the Safety Management Manual (SMM) and aligned it with Occupational Safety and Health Administration (OSHA) definitions and incident reporting standards:
 - a. Published updated version of SMM section 9.0 “Reports and Analysis of Non-Conformities, Accidents and Hazardous Occurrences” with clear unambiguous definition of “leading indicator”; redefined definition of “safety observation” to align with OSHA “unsafe act” including both positive and negative observations; revised definition of “hazard” in line with OSHA “unsafe condition”; clearer definition of “Near Miss” and introduction of an enhanced definition for “High Potential Near Misses”;
 - b. Developed and published a Standard Operating Procedure for verifying and recording work-related incidents;
 - c. Issued CARE (Check, Act, Record, Evaluate) *aide memoire* cards for safety observations and hazard identification to all seagoing employees;
 - d. Published Accident / Incident and HiPo Near Miss Investigation Manual;

- e. Updated ORBIS AIR format (in line with in the revised SMM section 9.0) and enhanced workflow to improve quality of submission and efficiency of management comment.

2. Similarly, in line with seafarers' feedback and further improvement suggestions from external audits, reviewed and published:

a. SMM section 3 Company Responsibility and Authority;

b. SMM section 6 Resources and Personnel.

3. Relaunched Leading Indicator programme (January 2019).

4. Published Health, Safety and Environment (HSE) Annual Report including analysis of recordable incidents for previous year (2018); devised safety improvement plan from key findings.

5. Introduced monthly Head Office Safety Committee Meetings chaired by the Managing Director.
6. Consolidate HSE reporting into one monthly report.

7. Conducted deep dive analysis of Safety Flashes; streamline and republish reduced content (from 203 to 37 valid Safety Flashes).

8. Reviewed, updated and published (to OCIMF portal) Offshore Vessel Management Self-Assessment.

9. Completed gap analysis of "O Class" vessel manual against SMM.

10. Updated vessel online induction (in ORBIS) in compliance with new General Data Protection Regulation (GDPR) requirements.

11. Reviewed, updated and consolidated ISO and ISM internal audit checklists as per ISO 9001 and ISO 14001 requirements and latest 2018 edition of the ISM Code.

12. Reviewed, updated and standardised template for passage planning.



5

Number of
Lost Time Injuries (LTI)
(cf. 9 in 2018)

0.44

LTIFR
(per million man hour)
(cf. 0.74 in 2018)

Our strong focus on people and training are key factors that underpin our commitment to safety and quality.

ISM

The International Safety Management (ISM) Code is the “International Standard for the Safe Management and Operation of Ships and for Pollution Prevention”.



Full compliance with the ISM Code is required to be able to continue operating under any / all flag registries, and this is supported by the issue of a Document of Compliance (DoC) by individual flag registries.

SPO successfully completed the annual renewal audits for the following DoC's:

1. Cyprus
2. Indonesia
3. Malaysia
4. Singapore

SPO also completed an initial compliance audit on behalf of Bahamas Flag and now also holds a Bahamas DoC. In 2019, 34 Port State Inspections were completed on our vessels with nil detentions. No Flag State Inspections were conducted in 2019.

Safety Training

SPO continues to provide robust, quality in-house safety training at SMTC. Courses offered cover all aspects of Safety Management aimed at junior and senior officers.

A new Safety Management Course (SMC) has been designed to further improve the content and will be trialled in April 2020.

Launch of the *Get Home Safe* Rules with new safety materials on board to reinforce workplace safety

After several months of consultation with our seafarers and outport offices, SPO's *Get Home Safe* Rules were formally launched on 29th November 2019.

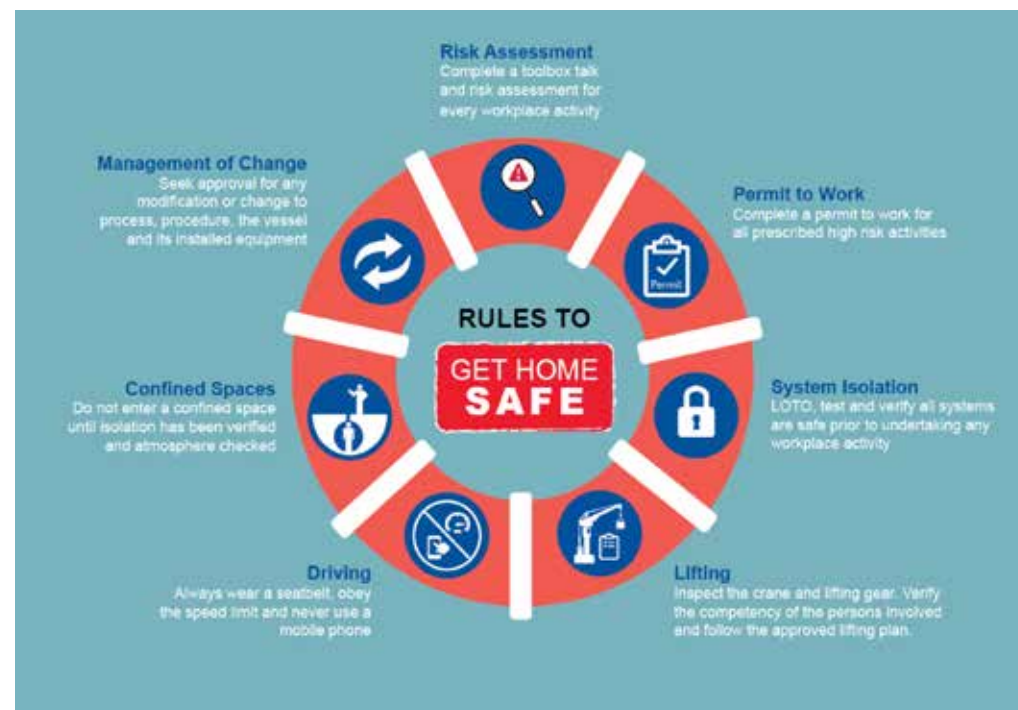
Based on the International Association of Oil and Gas Producers (IOGP) simplified Life-Saving Rules, SPO's *Get Home Safe* Rules are designed to supplement and support existing management systems, safety rules, policies and procedures. These rules provide an affective link to the corporate vision, values and strategic objectives; and reinforce our key safety message of Zero Harm.

The seven *Get Home Safe* Rules provide practical guidance for all employees on the following areas: Risk Assessment, Permit to Work, System Isolation, Lifting, Driving, Confined Spaces and the Management of Change (MOC) process. Endorsed by the MD of SPO and applicable to the entire fleet, the *Get Home Safe* Rules are simple, observable actions with memorable icons and succinct references to the supporting procedure / manual to remind us of the key safety requirements intended to keep all employees safe. They must always be adhered to at all times so that we can all get home safe to our families.

To communicate the *Get Home Safe* Rules more effectively, a poster and a booklet were designed and distributed to all vessels and offices.

Everyone has the right, obligation and responsibility, irrespective of position, seniority or discipline, to STOP Work which they consider to be unsafe, so that we can Get Home Safe.

These rules provide an affective link to the corporate vision, values and strategic objectives; and reinforce our key safety message of Zero Harm.



Pictured above:
The *Get Home Safe* poster that outlines the seven *Get Home Safe* Rules.

Left:
Crew on board the *Pacific Valkyrie* incorporating the *Get Home Safe* poster and booklet into the morning Toolbox Talks (TBT).

Safety Performance

Leading Indicators

SPO records and analyses the following leading indicators to share lessons learned, identify trends, devise safety campaigns and identify additional control measures (where applicable):

- Safety Observations
- Hazards
- Near Misses

High Potential Near Misses are further investigated and highlighted in the monthly HSE publication “Safety in Focus”.

Submission of leading indicators has almost doubled with an average submission rate of 98% for Q4-2019 and 94% since the programme was enhanced and relaunched in January 2019.

Lagging Indicators

SPO tracks its Lost Time Injury Frequency Rate (LTIFR) and Total Reportable Case Frequency Rate (TRCFR) – generally per million manhours – as lagging indicators of our safety performance.

	2019	2018
LTI	5	9
RWC	12	9
MTC	4	9
TOTAL	21	27

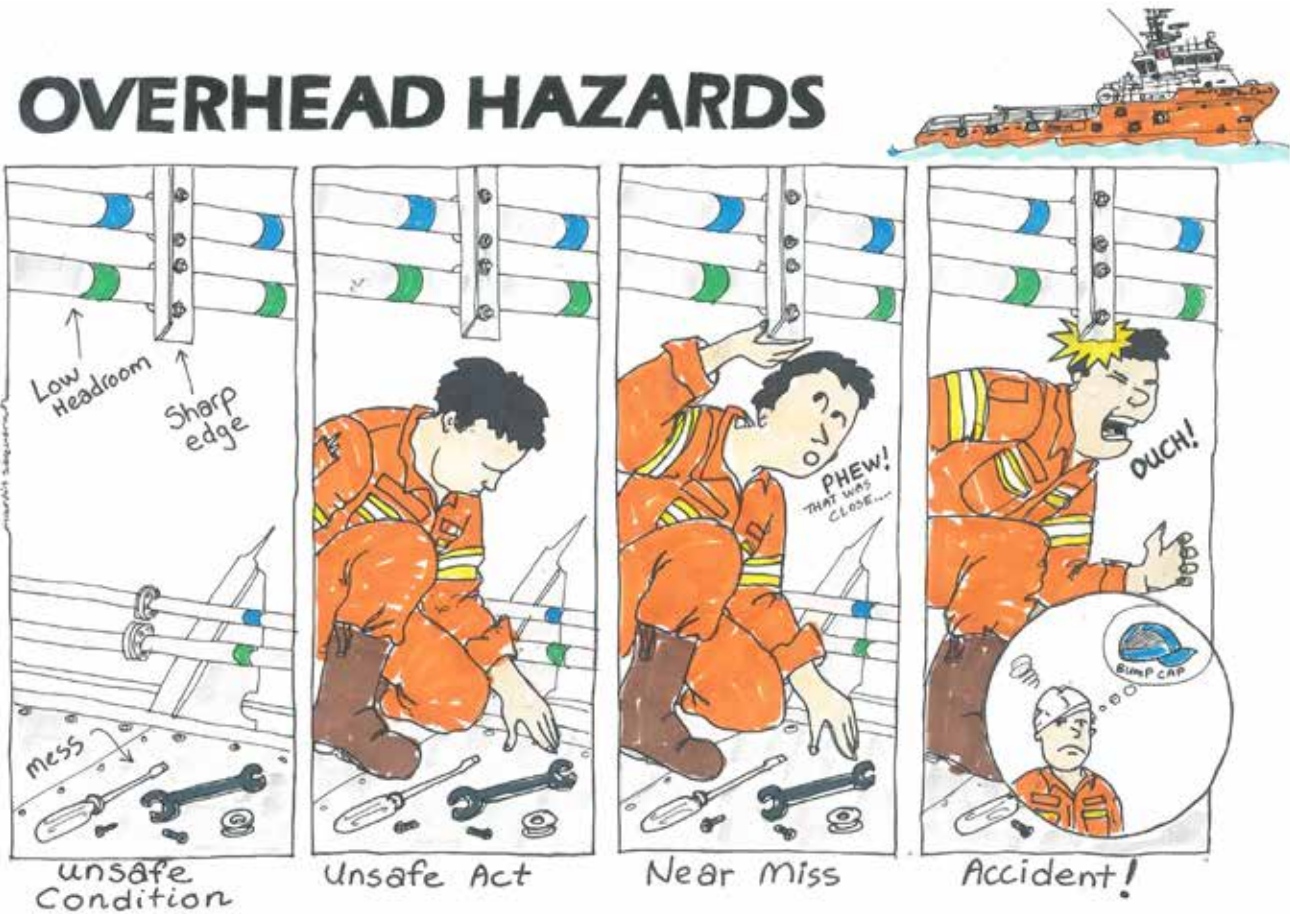


Illustration: Martin Sequerah

Total Number of Recordable Cases

The total number of recordable incidents has reduced by 22% compared with 2018; the corresponding frequency rate (1.85) is the ‘best’ since current records began in 2008. Similarly, the total number of LTIs has reduced by 44% compared with 2018, and the corresponding LTIF is the ‘best’ since 2017.

Total Number of Recordable Cases by Classification

The total number of Recordable incidents: Lost Time Injuries (LTI) + Restricted Work Cases (RWC) + Medical Treatment Cases (MTC).

The number of LTIs and MTCs cases have reduced compared with 2018. However, the number of RWCs has increased from the previous year.

The severity of incidents (measured in lost days) has reduced significantly from 85.02 in 2018 to 15.11 lost days / million manhours.

Injuries occurring whilst undertaking routine operation (deck and engine) and routine maintenance accounted for 43% of all injuries.

For more details see pages 129 - 141 in the “Data” section.



	2019	2018
LTIFR	0.44	0.74
TRCFR	1.85	2.23

The severity of incidents (measured in lost days) has reduced significantly from 85.02 in 2018 to 15.11 lost days / million manhours.

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Our Environment

SPO has long been strongly committed to limiting our negative environmental impact and radically decarbonising our operations, and to meet this goal has been implementing various initiatives to reduce and mitigate our Scope 1 and 2 carbon footprint (i.e. the emissions from our business operations that are under our own control – iaw GHG Protocol).



Photo by Francesco Ungaro on Unsplash

We are seeking emissions reduction within our operations through better vessel designs and operations, reducing electricity consumption and reducing the carbon footprint from our flights on business. Until such time as technology allows SPO to operate in a carbon neutral way (on which we are working in parallel), we decided to act as a Project Proponent to develop our own carbon offsets to achieve this neutrality.

We have in place a number of policies (e.g. Environmental and Sustainable Development Policies) which provide the framework for reducing SPO's environmental negative impact and impacts on biodiversity under our influence.

These cover (but are not limited to) using low-sulphur Marine Gas Oil (MGO) to fuel our vessels, improving vessel design leading to lower emissions from fleet and voluntarily offsetting our Scope 1 and 2 carbon emissions (and Scope 3 business travel GHG emissions) with effect from 1st January 2011.

In 2010, we invested in a REDD+ ("Reducing Emissions from avoided Deforestation and Forest Degradation") Paraguay Forest Conservation Project ("PFCP") in South America, through which we generate carbon credits

We have in place a number of policies which provide the framework for reducing SPO's environmental negative impact and impacts on biodiversity under our influence.

to offset the Scope 1 and 2 CO₂ emissions from our operations. The project was designed to achieve dual accreditation against both the 'Gold Level' of the Climate, Community and Biodiversity Alliance ("CCBA") Standard now consolidated under the Verified Carbon Standard ("VCS"), and then renamed "Verra". This project is solely driven by SPO's sense of environmental and social responsibility and is a wholly voluntary commitment, given that the shipping and aviation sectors are excluded from the Kyoto Protocol and the December 2015 Paris Agreement (for more information on this project please see page 56 of 2018 SD report).

The REDD+ project is designed to develop around 10,000 dual CCBA and Verra verified carbon credits per year for 20 years. The project is managed locally by Guyra Paraguay (a non-profit civil society organisation that works to protect and enhance the biological diversity of Paraguay) and supported by SPO's SD team. SPO also offsets any additional, originally unforecast emissions through the purchase of top-up carbon credits through a carbon broker that trades credits in the European voluntary emissions market.

All the projects from which we chose to buy credits have Verra certified CO₂ environmental benefits, combined with CCBA certified economic benefits to the local communities that generate additional social value for the local communities.

While vessel designs continue to be very transport energy efficient, the offshore industry demands larger and more powerful vessels able to work in ever deeper waters and in locations with more extreme weather conditions (and the energy of these extreme events is set to continue to increase with anthropogenic global warming), which means that our incremental vessel design emission reduction initiatives alone will not be enough.

All SPO vessels use Marine Gas Oil (MGO): a low-sulphur (<1.5%) / low particulate matter (PM) fuel in accordance with the latest fuel standard, ISO 8217:2017 and the IMO 2020 low-sulphur regulations as a minimum.

As a positive effort to reduce GHG emissions, SPO constantly upgrades its fleet using latest technology and emission control equipment. The Company's newest

generations of vessels are certified by DNV-GL for 'Clean*', 'Clean Design**' (or equivalent), resulting in lower emissions, including for refrigerant gases which can be up to 2,000 times more harmful to the atmosphere, weight for weight, than CO₂ from all machinery.

They are additionally all delivered with a 'green passport' / Inventory of Hazardous Materials ("IHM") for more efficient recycling at the end of the economic life of the vessel, and in accordance with the "Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships, 2009", even before it is sufficiently ratified and in force.

Vessels recently built for SPO have been fitted with low-NO_x main engines, sewage treatment plants, waste macerators and garbage compactors. Vessels undergoing routine drydocking over the past decade have all been coated with fully TBT-free anti-fouling applications (in accordance with the IMO TBT Resolution, passed at MEPC-42 in November 1998 and in force from 1st January 2008).



Photo by Conscious Design on Unsplash

***Clean** notation shows compliance with all mandatory MARPOL requirements regardless of any exemption granted by a flag state administration. In addition, it contains additional requirements to prevent oil pollution. It also requires a vessel to have improved technical and management procedures to reduce discharges to sea and emissions to air.

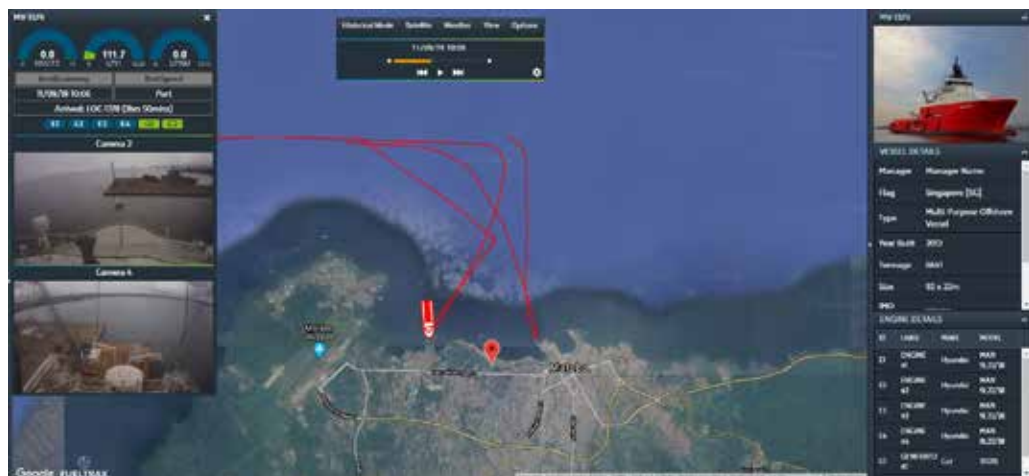
****Clean Design** contains all Clean notation requirements and additional Constructional and Design requirements such as stricter oily tank protection, installation of 5ppm oily bilge separator and alarm, installation of approved ballast water treatment system. Clean Design also requires Compliance with Hong Kong Convention for Ship Recycling.

Each SPO vessel over 400GT also operates according to its Ship Energy Efficiency Management Plan (SEEMP) since January 2013. The purpose behind the SEEMP is to establish a management tool to assist the Company in managing the ongoing environmental performance of its vessels.

In 2018, SPO installed FUELTRAX®, a smart, self-contained, marine fuel management solution, which protects assets and ensures security of fuel, compliance and optimised vessel performance. SPO has 11 vessels equipped with FUELTRAX technology on board (with six vessels actively using it); with two vessels installed with the latest “FUELTRAX Vision” technology. Additionally, there are four Indonesia-flagged vessels that are fitted with Aquametro systems which generate reports similar to FUELTRAX.

To implement the vessels' Environmental Management Plans, we have incorporated specific procedures and guidelines within our on board Safety Management System (SMS). All vessels are provided with, and must comply with, an externally audited and approved Shipboard Marine Pollution Emergency Plan (SMPEP).

FUELTRAX is a smart, self-contained, marine fuel management solution, which protects assets and ensures security of fuel, compliance, and optimised vessel performance.



“FUELTRAX Vision”, a new on board surveillance system created by FUELTRAX

SPO currently operates 11 vessels with FUELTRAX on board, two of which have been installed with the latest “FUELTRAX Vision” technology. FUELTRAX is a smart, self-contained, marine fuel management solution, which protects assets and ensures security of fuel, compliance, and optimised vessel performance.

With the launch of its “FUELTRAX Vision” system, the latest expansion of remote monitoring and reporting technology by FUELTRAX, all video surveillance collected by FUELTRAX is coupled with existing fuel monitoring data and tracking information to deliver a complete picture of vessel operations and activities.

Among its features, “FUELTRAX Vision” provides 360° coverage of the vessel perimeter provided by four to six positioned IP68 marine environment cameras. Up to 10 weeks of high quality footage is stored on board.

Anthony George, FUELTRAX founder and CEO, says the combination of ‘firsts’ with FUELTRAX means SPO leads the way in marine fuel supply and vessel security in Equatorial Guinea.

Photos courtesy of FUELTRAX.

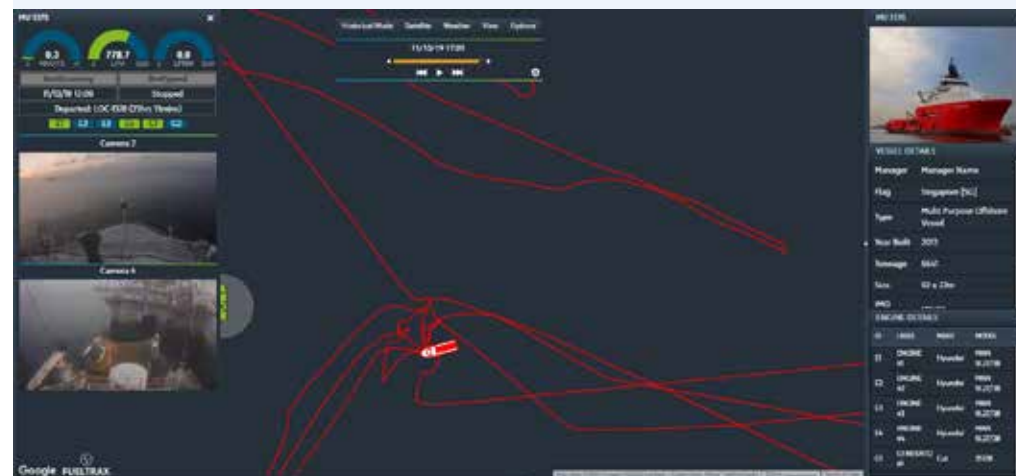




Photo by Ant Rozetsky on Unsplash

SPO has a target of zero unplanned releases of substances hazardous to the marine environment. This includes mineral oil / other hydrocarbons, chemical spills and the release of Halons / CFC / HFC / HCFCs with both high Ozone Depleting Potential and high Global Warming Potential to the atmosphere. Reporting of accidental spills / releases is a statutory requirement, through the appropriate procedures and reported to relevant authorities.

Whilst ships' staff are required under the IMO MARPOL Convention, Annex V, to segregate waste, to promote further environmental awareness they are also encouraged to maintain high standards of housekeeping and observe proper procedures for pollution prevention.

All efforts are made to reduce and ultimately eradicate waste discharge to the sea, all scrap and engine room waste is bagged and discharged ashore, as is all sludge which is discharged to shore tankers. The Garbage Management Plan for each vessel includes detailed plans and instructions for garbage handling and charts showing authorised areas and procedures for waste disposal.

SPO holds certification to ISO 14001:2015 and ISO 9001:2015. We are bound by the IMO International Management Code for the Safe Operation of Ships and for Pollution Prevention (the "ISM Code") and audited against this code both internally, internationally and externally.

The external audit is performed by a third-party independent classification society whose auditors are appointed by the Maritime and Port Authority of Singapore (MPA) on behalf of the Singapore government in respect of our main Flag Registry, plus a small number of others that we use for local reasons. The vessels can be (and are) audited by national inspectors at any and every port worldwide at which every vessel calls.

SPO participated in MPA Voluntary Experience Building Phase of the IMO Data Collection System for Fuel Oil Consumption over 2018. From 1st January 2019 we have implemented IMO's compulsory Data Collection System (DCS) for fuel across our fleet.

We also comply with the EU Monitoring, Reporting and Verification (MRV) of CO₂ emissions (data collection started 1st January 2018). Both EU MRV and IMO DCS requirements are mandatory and intend to be the first step in a process to collect and analyse emission data related to the shipping industry.

We report quarterly on our Scope 1, 2 and 3 GHG emissions against an internal and voluntary 3% intensity y-o-y reduction target.

Our direct and indirect Scope 1, 2 and 3 emissions are calculated in accordance with the Greenhouse Gas (GHG) Protocol and ISO 14064. We also report GHG Emissions from our entire operations. We have an Environmental Management Plan and Quality Health Safety Security and Environment Plan in place with clearly defined targets. We report quarterly on our Scope 1, 2 and 3 GHG emissions against an internal and voluntary 3% intensity year-on-year (y-o-y) reduction target.

To help reduce the Company's carbon footprint, SPO strongly encourages employees to follow the Swire group Green Guidelines. We hold Eco-Office certification from the Singapore Environment Council that measures improvements in the areas of: recycling, electricity and paper usage, green procurement, adoption of sustainable practices by employees amongst others. SPO has held Eco-Office certification since 2010. We continue measuring our office electricity / water / paper consumption and reducing them y-o-y.

Tackling Plastic Pollution

Plastic pollution is becoming one of the world's pressing environmental issues today. With governments banning single-use plastic bags and fast food chains removing plastic straws from their counters as part of their corporate social responsibility efforts to save the environment, it is timely for us to think about whether banning plastics is the only solution to this environmental problem.

Many of us are aware that plastics take decades, and some, centuries, to decompose, creating dreadful waste problems. We set ourselves a goal of eliminating single-use plastic bottles (SUPBs) with the target of zero SUPBs

on board of our vessels. In 2019, we achieved a 26% reduction in SUPB used on our vessels.

Plastic in the ocean is causing a lot of damage to marine life, and seafarers often have to save trapped turtles.

In October 2019, we launched the "Say No to Single-Use Plastic" campaign as part of our efforts to help reduce employees' plastic footprint. Every shore-based employee received a pack comprising reusable items in a cotton bag including a metal straw, a BPA-free reusable plastic bottle / aluminium bottle, and a stainless steel fork and spoon.

In October 2019, we launched the "Say No to Single-Use Plastic" campaign as part of our efforts to help reduce employees' plastic footprint.

In 2019, we achieved a 26% reduction in SUPB used on our vessels.



Right: Photo by Dustan Woodhouse on Unsplash

Tackling plastic pollution

We are committed to protecting the environment and the well-being of our employees. The issue of plastic pollution, especially for the marine environment, is a pressing issue that requires action.

Single-Use Plastic affects not only marine biodiversity but also human health as it breaks down to micro plastic which then gets into our food chain. In a campaign by the WWF Singapore, it was revealed that an average person consumes approximately five grams of plastic every week, which is equivalent to the weight of a credit card. The Sustainable Development (SD) team launched the “Say No to Single-Use Plastic” campaign in October as part of our efforts to help reduce employees’ plastic footprint. Every shore-based employee received a pack comprising reusable items in a cotton bag including a metal straw, a BPA-free reusable plastic bottle / aluminium bottle, and a stainless steel fork and spoon.

We have received a lot of positive feedback from our employees and are proud that many employees have expressed that they would support the cause and Say No to Single-Use Plastic, be more mindful of their daily actions and adopt a more sustainable lifestyle!



Pacific Liberty saves distressed turtle in Singapore waters



On the way from Kakinada, India to Singapore, the crew of *Pacific Liberty* spotted a turtle trapped in fishing nets. A Fast Rescue Craft was launched and crew members saved the turtle.

The turtle was quickly inspected to ensure that it was not suffering from Floater Syndrome, which commonly occurs when turtles mistake plastic pollution for food. The ingested plastic creates a build-up of gas in their bodies, causing them to float on water and impeding the search for food, thereby resulting in starvation. She was released when deemed unhurt.

Pictured left: SPO employees from the Marine Manning department flaunting their reusable bags at the SPO Head Office.



***Pacific Griffon* rescued a trapped turtle in Côte d'Ivoire**

Another turtle rescue was performed in West Africa by the crew of *Pacific Griffon* when they spotted a turtle trapped in a discarded fishing net. They managed to bring the turtle safely on board the Fast Rescue Craft and cut the fishing net that was intertwined with the turtle.

When the netting was removed, the crew checked the turtle carefully to see if it had sustained any injuries before releasing it back into the sea.

Above (left to right): **Marciano Garcia Pagal**, AB; **John Oliver Labordo**, Engine Cadet and **Glyn Gorre Guevarra**, Third Engineer, SPO.

Photo taken by: **Ryno Adriaan Coetzee**, Chief Officer, SPO.

***Pacific Hawk's* seafarers take initiative to collect garbage at littered beach**

While at Labuan anchorage, Malaysia, we could see Pulau Papan (Papan Island) and noticed that the beach area was littered with many plastic bottles and garbage. We sought permission from the Master to go to the island after our work duties to do a clean-up of the beach to help remove the plastic bottles and debris. The Master gave the approval and we approached the island jetty for landing. We had a spare garbage bag and we were able to collect the plastic bottles and litter.

As we walked along the beach, we picked up all the garbage and plastic bottles that we could see. Along the way, we also spotted the carcass of a poor turtle which probably ingested some plastic and died there. Two personnel guards working on the island spotted us and approached us to thank us for helping to clean the beach. After spending about one and a half hours, we filled our garbage bag with plastic bottles and litter and headed back to the vessel for proper disposal.

Though it was hot and tiring, we felt happy to see the clean beach after our clean-up exercise. We hope that local children and families who saw us can also emulate our actions and help do their part to keep Mother Earth clean and protect the environment.

Written by: **Irwan Bin Borhan**, Chief Officer, SPO

Pictured: Our happy crew of *Pacific Hawk* involved in the beach clean-up exercise.



Empowering communities to transform plastic from waste to resource

Plastic waste is becoming an epidemic worldwide. Scientists estimate over eight million tonnes of plastic are entering the oceans every year, polluting the oceans and lands, affecting wildlife and damaging our health.

In the Asia Pacific region, more than 370 million people inhabit the 4,000 islands, generating 11 million tonnes of plastic waste yearly (i.e. 10 kg of plastics per person yearly), with most of the plastic waste left unrecovered. 74% of plastic leakage originates from this region as they have no proper infrastructure for waste disposal. On 9th April 2019, Louise Hardman, the founder of The Plastic Collective, shared with our employees on how The Plastic Collective educates communities on ways to eliminate, innovate and circulate single-use plastics.

The Australia-based social enterprise advocates the notion, “waste management to resource recovery” and aims to change the economics behind waste plastics. They provide plastic waste solutions to the communities in remote islands such as remoulding plastics into practical and useful items that in turn, provide income to these communities. More importantly, they strive to change human behaviour through shifting mindsets and getting people to see plastic waste as a useful resource, take proactive steps to recycle plastics, protect the environment and seek ways to improve their livelihood.

During the sharing session, Louise highlighted that plastic can be a useful resource and is not necessarily always bad if the use is well managed. She showed a chart that explained how to differentiate various grades of plastic using the plastic resin codes found on plastic items and their inherent qualities. The speaker also shared interesting insights into ongoing projects in Indonesia, collaborations with local non-government organisations and communities in the region that bring about positive changes.



Scientists estimate over eight million tonnes of plastic are entering the oceans every year, polluting the oceans and lands, affecting wildlife and damaging our health.

Sustainable Ship Recycling



Pictured above: Pacific Falcon

SPO has a Sustainable Ship Recycling Policy in place stating that all vessels at the end of their working lives will be sent for recycling to yards that as a minimum, adhere to the Hong Kong International Convention for the Safe and Environmental Sound Recycling of Ships.

SPO has a Sustainable Ship Recycling Policy in place stating that all vessels at the end of their working lives will be sent for recycling to yards that as a minimum, adhere to the Hong Kong International Convention for the Safe and Environmental Sound Recycling of Ships (HKC) that was adopted on 15th May 2009 (thus, even prior to its full ratification); and that, are certified by a reputable independent third-party to ISO 9001:2015, ISO 14001:2015, OHSAS 18001:1999 (soon to be ISO 45001) and preferably, ISO 30000:2009.

This Policy ensures that SPO recycles its assets in the best way: sustainably, safely, and in an environmentally responsible manner. SPO has been working with the management of selected Ship Recycling Facilities in Alang, India, on improving their health and safety standards as well as environmental compliance.

Through this project, SPO recycles our vessels at a green premium and brings to life Swire's strong commitment in adopting a long-term view in its businesses.

For more information please see: <https://bit.ly/2ZX075Y> and watch the video at <https://bit.ly/2AuX8XQ>

In 2019, SPO did not recycle a vessel, but planned for *Pacific Falcon* to be recycled in Alang, India commencing in January 2020 at R.K. Industries, Plot #V-7. We will report on this in our 2020 SD Report.

Eco-Office and Green Guidelines

To help reduce the Company's carbon footprint, SPO strongly encourages all employees to follow the Swire Pacific group Green Guidelines which are guided by Green Office and Eco-Office practices, and looks at applications of the Eco-Office principles such as Reduce-Reuse-Recycle approach, reduced electricity usage, use of FSC certified paper, double-sided printing, more efficient use of the aircon / heating etc.

SPO's offices have held the Singapore Environmental Council Eco-Office Certification since 2010 and the Company's employees have embraced Eco-Office practices together with the approach to environmental sustainability.

We continue to educate and engage our employees in environmental activities ranging from corporate volunteering events to supporting conservation and environment causes, partnering with NGOs / NPOs (non-profit and non-governmental organisations) and organising well-attended quarterly *Lunchtime Takeaway* seminars in the Singapore office.

In 2019 we partnered with Seven Clean Seas on a beach clean-up exercise and with Ground-Up Initiative for a volunteering session in Singapore. For more information, please see "Our Communities" section of the report.

To view the Swire Green Guidelines, please visit:
<https://bit.ly/2TRrFGf>

We continue to educate and engage our employees in environmental activities ranging from corporate volunteering events to supporting conservation and environment causes.



Photo by Juanma Clemente Alloza on Unsplash

Understanding the Circular Economy: Closing the Loop

The industrial system has always been “take, make and waste” which is known as a linear economy. It assumes that there are always resources to make a product, and there is always a place to dispose of it. However, we are running out of resources to meet our demands and space for the 2.12 billion tonnes of waste generated every year as 99% of what is bought is trashed within six months. From production to disposal, each product is accelerating climate change. Clearly, a linear economy is not a sustainable system.

On 11th July, we invited Marialine Verdickt, Founder of Circlewerkz and country organiser of Circular Economy Club (Singapore), to share her expertise on the circular economy and learn the difference we can make by going circular through our everyday actions.

The immediate way to make a difference is to simply buy less, and practise the 3Rs – Reduce, Reuse, Recycle. Fewer resources will be used up, and less waste is generated which in turn, reduces your carbon footprint. Marialine shared and emphasised the most important takeaway from the session, the concept of A Spaceship Economy where nothing can be thrown away – a circular economy.

The circular economy model is not new. An increasing number of existing and new organisations have been coming up with ways to manufacture a product economically and sustainably using the circular economy concept, particularly in the fashion and technology industries.

The Circular Economy Club (CEC) is the international network of over 4,000 circular economy professionals and organisations from over 130 countries.

SPO has been on the circular economy journey through the years by sustainably recycling our vessels at the end of their commercially viable lives. 99.6% by weight of a vessel is recycled or upcycled.



Pictured above:

Marialine Verdickt, Circular Economy Club (CEC)
Singapore Country Organiser delivering the presentation
for the *Lunchtime Takeaway* session.

We are running out of resources to meet our demands and space for the 2.12 billion tonnes of waste generated every year as 99% of what is bought is trashed within six months.

Environmental Performance

Methodology

We make a clear distinction between our direct (Scope 1) fuel use (and associated emissions); and the indirect (Scope 3) fuel use and emissions that arise once our vessels have been contracted. Our Scopes 1, 2 and 3 are measured in accordance with the Greenhouse Gas Protocol and ISO 14064.

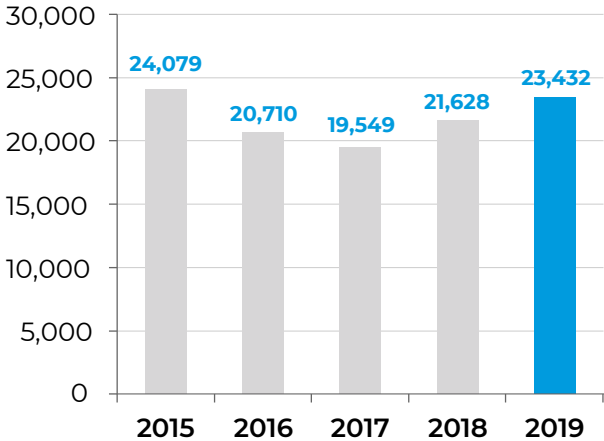
To allow our stakeholders to compare performance against previous years in a manner that compensates for the growth in our fleet, we use “available boat days*” as a normalisation factor. We use “unutilised available boat days**” as the normalisation factor for our Scope 1 data, and “utilised available boat days***” as the normalisation factor for our Scope 3 data.

The “Utilised boat days” table shows an 8% y-o-y increase in days that vessels were utilised / on-hire in 2019. This represents an improvement in boat utilisation compared to the past four years following the global oil price plunge and the curtailment of clients’ Oil and Gas exploration and production projects.

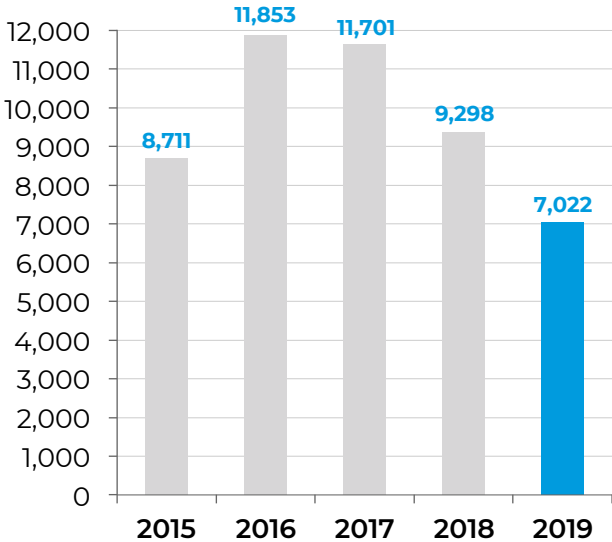
The “Unutilised boat days” graph shows a 24% reduction in days that vessels were off-hire in 2019 compared to 2018. While this unutilisation / operational decrease in and of itself is an improvement on the past few years, it is still significantly higher compared to 2013 / 14 levels. This is a further testament that the offshore market conditions and oversupply of vessels still have some way to go to reach the *status quo ante*.

* “**Available boat days**” is the total number of individual days for all boats within a year that all the owned SPO vessels should be available for hire.
** “**Unutilised available boat days**” (UUBD) is the total number of individual days for all boats within a year that all the owned SPO vessels are off-hire. GHG emissions from each boat on these days is classed as Scope 1 under GHG Protocol and the Company is the “Controlling Mind” for the operations on that day. Direct Fuel Use (Scope 1).
*** “**Utilised available boat days**” (UBD) is the total number of individual days for all boats within a year that all the owned SPO vessels are on-hire. GHG emissions from each boat on these days is classed as Scope 3 under GHG Protocol and the client is the “Controlling Mind” for the operations on that day.

Utilised boat days
(UBD)



Unutilised boat days
(UUBD)



Emissions by Scope

Fuel (Scope 1 and 3)

SPO's most significant energy use, (caused by combustion in Internal Combustion Engines (ICE) and thus GHG emissions footprint) is from the Marine Gas Oil (MGO) used by SPO's fleet.

Our fleet numbers have dropped down further to 73 vessels in 2019 due to the recycling of one and sale of three vessels.

In 2019 we saw a 17.7% decrease in total Scope 1 fuel emissions (in tonnes of CO₂) due to the 10% increase in utilisation rate from 2018.

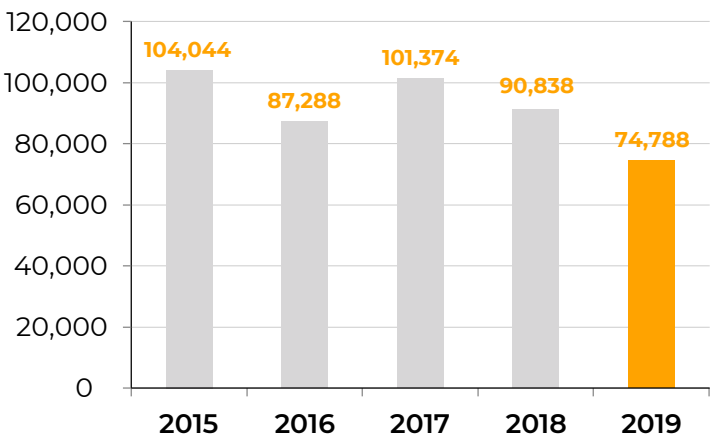
Fuel emissions per 'unutilised available boat day' increased in 2019 by 9% – this was mainly due to the repositioning of vessels from being in cold stack to re-starting operations in a different location and between different outports between charters.

Note that any vessels in cold stack will develop unutilised boat days, but their Scope 1 emissions whilst off-hire will be zero, by virtue of being cold stacked. Similarly, for warm stacked vessels; they will develop more unutilised boat days, but will have a lower fuel consumption and thus GHG emissions compared to those off-hire vessels fully manned, operating and ready to work.

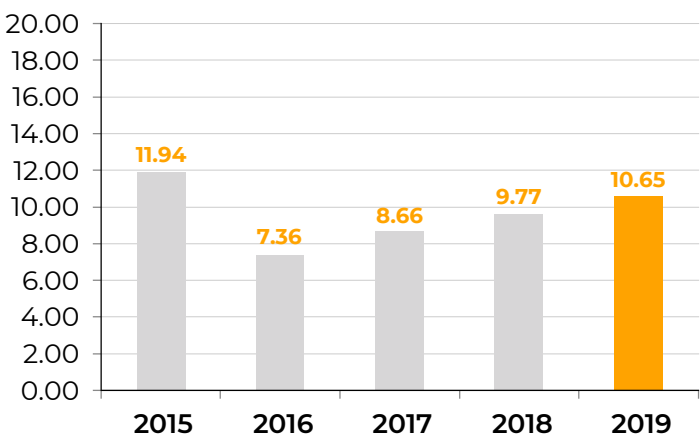
As at 31st December SPO had one vessel in cold stack and two vessels in warm stack.

The largest use of fuel associated with SPO's business is MGO, used by our vessels when on-hire to clients (though this forms part of our clients' Scope 1 footprint – this distinction as per the GHG Protocol is to avoid double counting in all sectors). Scope 3 fuel use is an order of magnitude higher than SPO's Scope 1 fuel use, as utilisation / on-hire days is generally an order of magnitude higher than off-hire days.

Scope 1 MGO emissions for SPO fleet
(tCO₂e)



Scope 1 MGO emissions
(tCO₂e) / unutilised available boat day



Scope 3 MGO emissions increased by 5.4% as a result of the increase in utilisation rates in 2019. Note that we have zero control over the vessels’ operational profile whilst on-hire, and hence no management control over the level of Scope 3 emissions at this time.

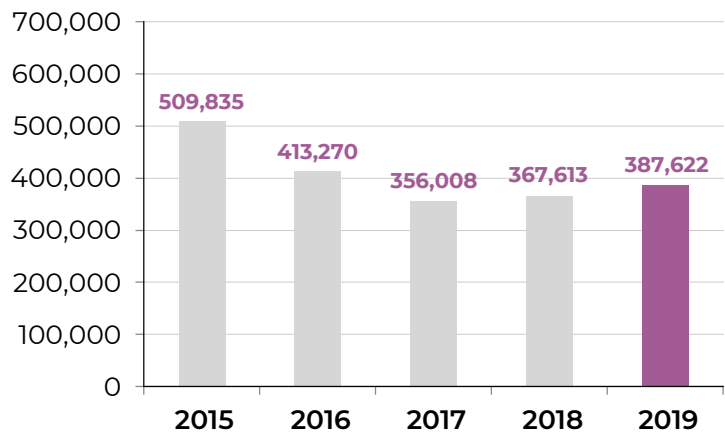
Scope 3 fuel consumption emissions per ‘utilised available boat day’ have further decreased by 2.7% since 2018. We attribute this to the better environmental performance of the new fuel-efficient fleet: the design of every new class of our vessels involves the use of the latest technology and emission control equipment.

SPO is seeking to contribute to the reduction of our client’s directly attributable carbon footprint by providing a more modern and fuel-efficient fleet, and working with clients to optimise their operations to reduce the consumption of MGO and thus reduce GHG emissions.

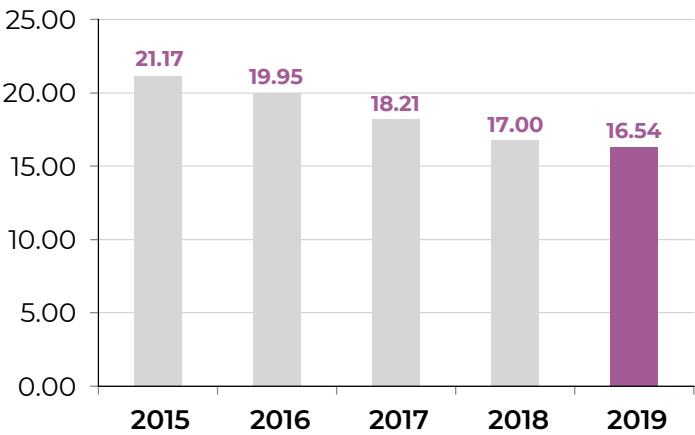
We are committed to the reduction of GHG emissions from our operations in line with IMO MEPC-72 targets and therefore continue to:

- Assess feasibility of other low / zero carbon fuels in green marine projects (see section on *Project Hafnium* on page 101);
- Engage with our clients to reduce their fuel consumption responsibility (and thus costs);
- Install and use fuel management software on our vessels.

Scope 3 MGO emissions for SPO fleet
(tCO₂e)



Scope 3 MGO emissions
(tCO₂e) / utilised available boat day



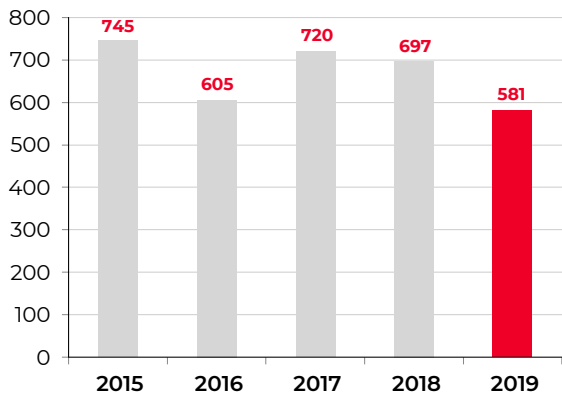
Lube Oil Emissions (Scope 1 and 3)

We established that around 80% of the total Lube Oil (LO) reported as “consumed” on board is combusted in main engines or generators, and thus the by-products of this (CO₂, GHG, SO_x, NO_x, PM and VOC) are emitted into the atmosphere. We thus report using this 80% conversion figure in all our gaseous emissions’ reports. The balance of 20% is hydraulic oils or greases that are disposed of after use in the appropriate manner as solid liquid waste and are not converted to GHG.

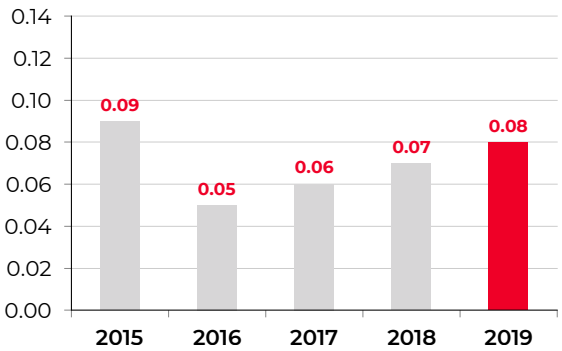
SPO’s overall (direct) emissions from Lube Oil consumption decreased in 2019 by 16.6%. This is consistent with the reduction in Scope 1 MGO consumption reduction of 17.7% per fleet. Scope 1 Lube Oil emissions per ‘unutilised available boat day’ have increased by 10.4% over the reporting period. Again, this is consistent with the Scope 1 MGO consumption increase of 9.0% per unutilised available boat day.

SPO’s overall (indirect) Scope 3 total Lube Oil emissions have increased slightly by 7.1%, while Scope 3 Lube Oil emissions per ‘utilised available boat day’ reduced by 1.1% over the reporting period. This is consistent with Scope 3 fuel consumption due to the increase in the utilisation rate, and better environmental performance of the new fuel efficient fleet.

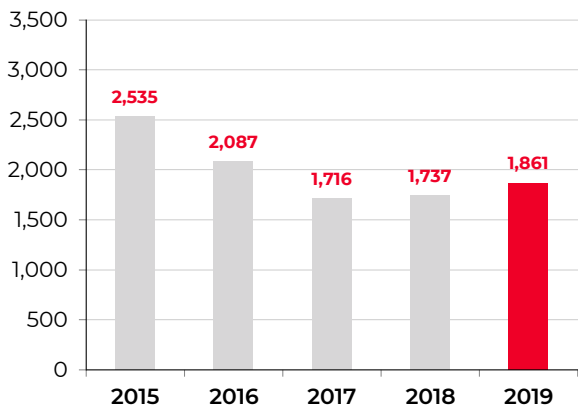
Scope 1
Lube Oil emissions
(tCO₂e)



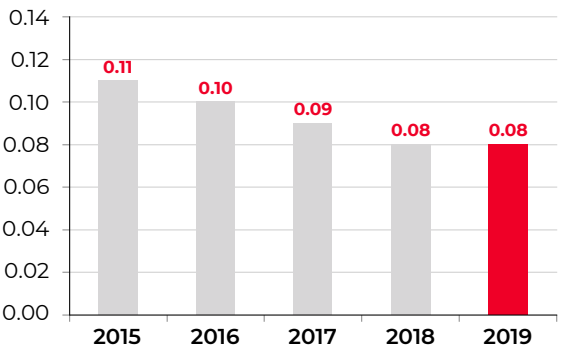
Scope 1
Lube Oil emissions
(tCO₂e) /
unutilised available
boat day



Scope 3
Lube Oil emissions
(tCO₂e)



Scope 3
Lube Oil emissions
(tCO₂e) /
utilised available
boat day



Petrol and Diesel (Scope 1)

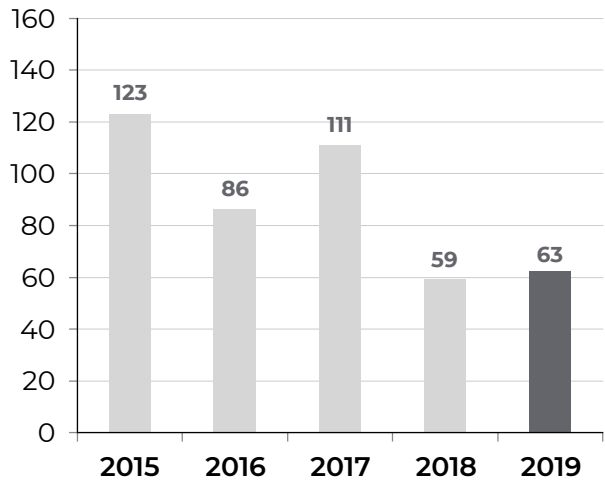
Emissions from petrol consumption (which comes mainly from the use of company provided vehicles and from some Fast Rescue Craft on board some of our vessels) have fluctuated slightly with an increase by 7% from previous year.

We include diesel used in outboard engines on rescue boats in the fleet, and the number of diesel-run company provided vehicles. Emissions from diesel consumption have decreased by 32% in 2019.

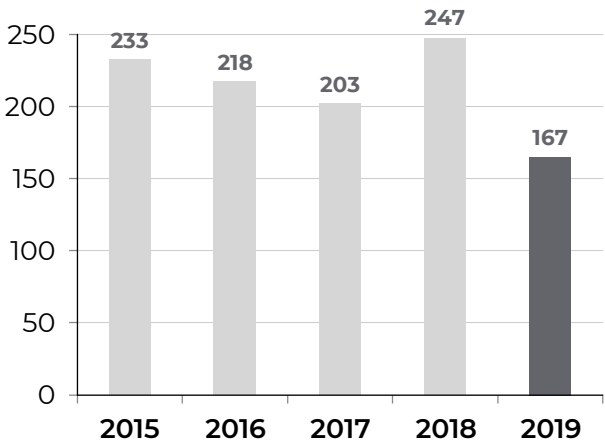
It should be noted that petrol and diesel emissions are around 0.3% of SPO's total Scope 1 and 2 GHG emissions, and so are not material to SPO's total GHG footprint.



Petrol
(tCO₂e emitted)



Diesel
(tCO₂e emitted)



Emissions from Employee Travel (Scope 3)

SPO reported that emissions from flights reduced drastically in 2018 (due to employing a more accurate way of measuring the flights and their distances for our seagoing employees). While we have recorded a 19% increase y-o-y in 2019, it is still only about 20% of the emissions reported in 2017.

Total Air Travel Emissions
(tCO₂e)

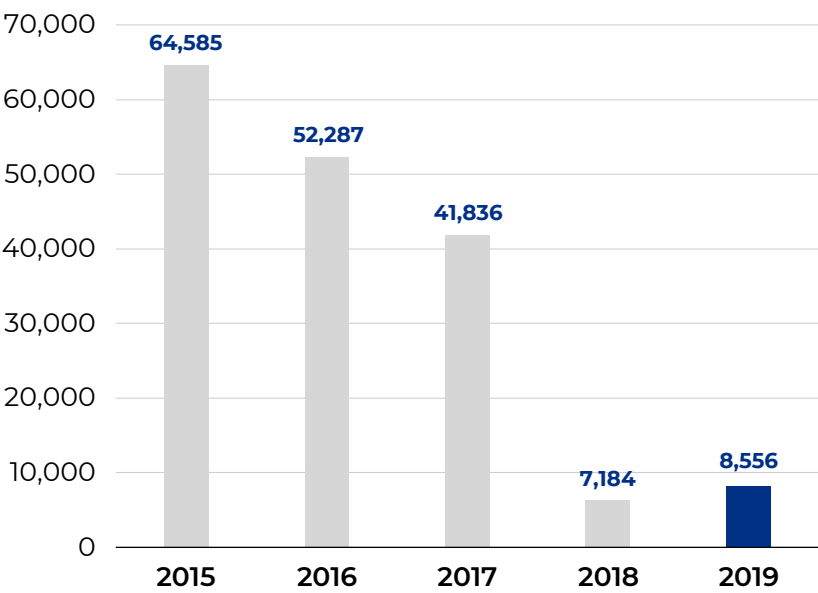
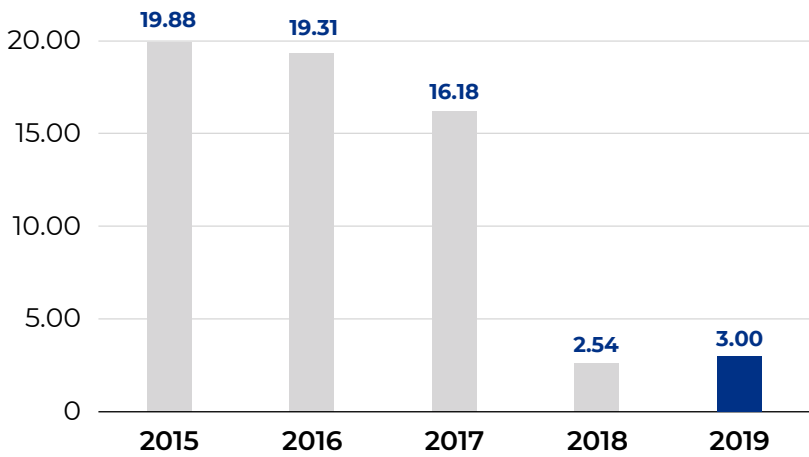


Photo by Alex Holyoake on Unsplash

Air Travel Emissions
(tCO₂e) per employee



Electricity Usage (Scope 2)

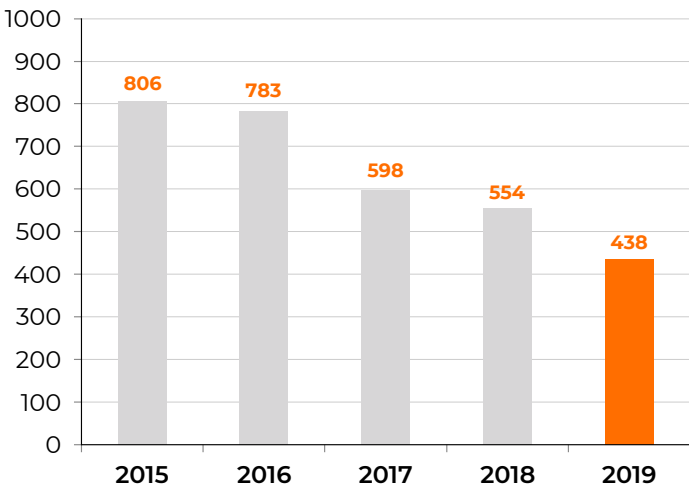
Electricity usage across all SPO offices has been reducing since 2015. In 2019 there was a further 21% decrease in emissions from electricity usage due to the rationalising of the number and size of offices in various locations.

Normalised emissions from electricity usage per shore-based employee also dropped by a further 20.4% in line with the overall reduction in electricity usage.

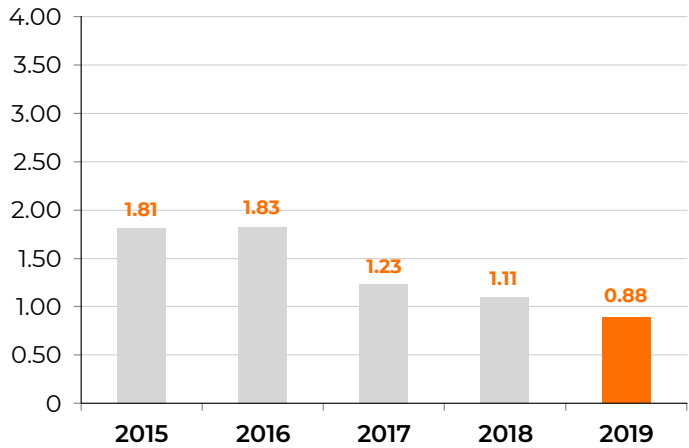


Photo by Fre Sonneveld on Unsplash

Electricity Usage
(in tCO₂e emitted)



Electricity Usage
per shore-based employee
(in tCO₂e emitted)

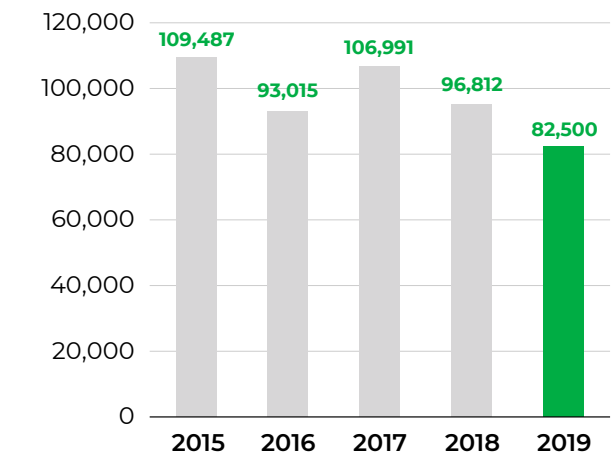


Greenhouse Gas Emissions

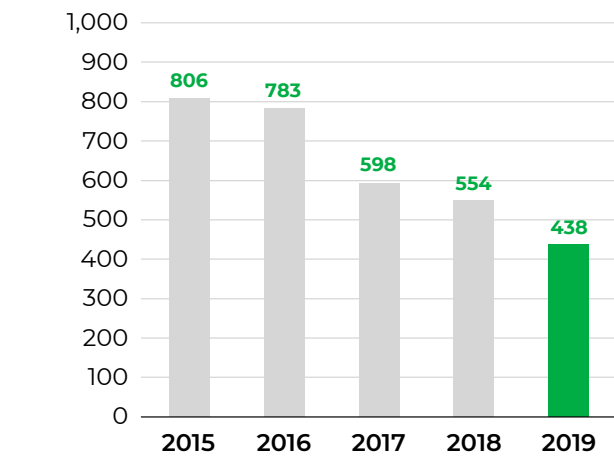
SPO's total Scope 1 emissions have gone down by 14.8% in 2019 and its Scope 2 emissions have decreased by 21%. This is consistent with the above reported trends and is expressed in the graphs below. SPO's commitment to the reduction in normalised Scope 1 and 2 GHG emissions to the environment is 3% y-o-y.

Scope 3 emissions are an order of magnitude higher than our Scope 1 and 2 emissions combined. MGO and LO consumption and emissions increased slightly due to the increase in utilisation rate in 2019. Scope 3 emissions have risen by 5.7% compared to the 2018 figure.

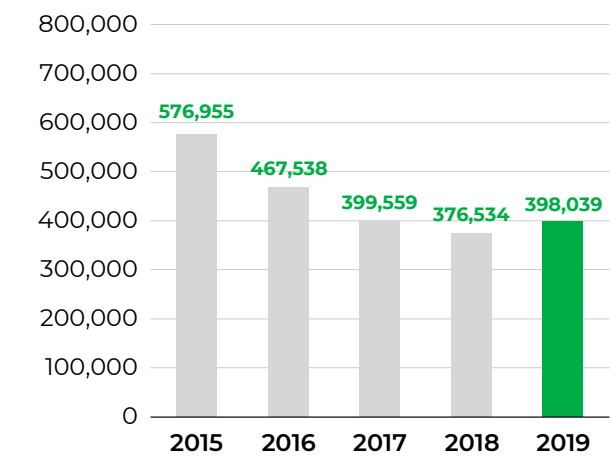
Scope 1 GHG Emissions
tCO₂e



Scope 2 GHG Emissions
tCO₂e

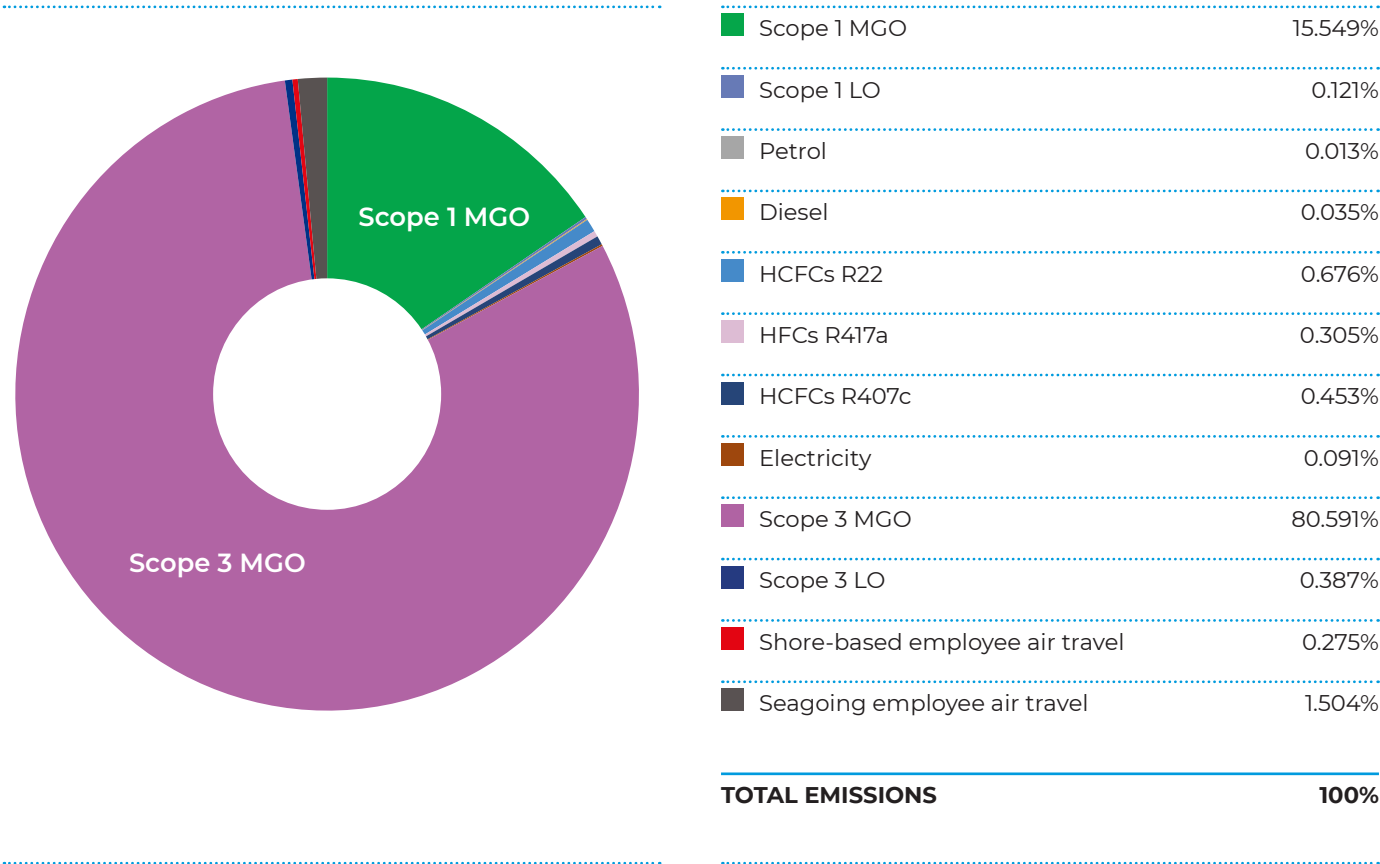


Scope 3 GHG Emissions
tCO₂e



The breakdown of our GHG emissions for 2019 is represented below with fuel combustion in internal combustion engines (ICE) remaining, by far, the biggest contributor to SPO's carbon footprint (90.2%).

Percentage Breakdown of GHG Emissions (tCO₂e) in 2019



Carbon Emissions 2019	tCO ₂ e
Scope 1 - Direct emissions	82,500
Scope 2 - Indirect emissions	438
Scope 3 - Other indirect emissions	398,039
TOTAL EMISSIONS	480,977



Ozone Depleting Substances' Emissions

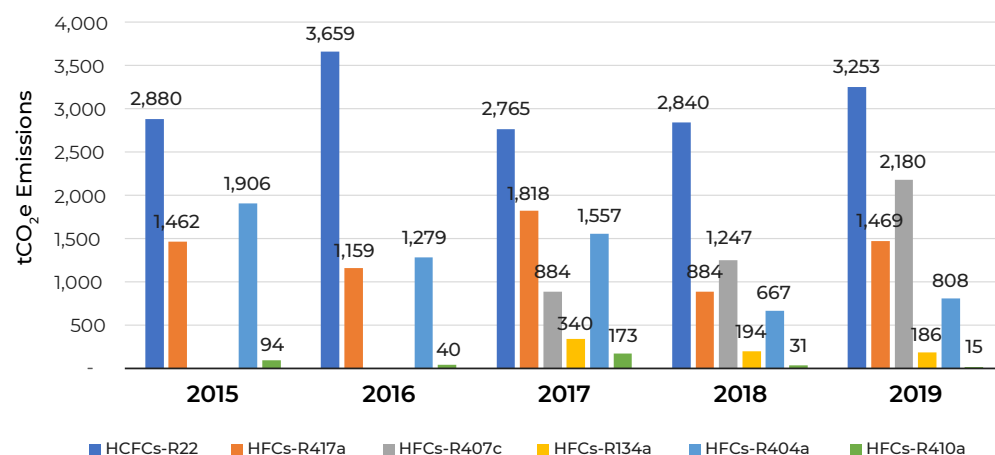
Ozone Depleting Substances' (ODS) (Freons as HCFC / HFC) emissions

The Kigali Amendment to the Montreal Protocol entered into force on 1st January 2019. It addresses the shift from higher Ozone Depleting Potential (ODP) freons (mainly HCFCs and CFCs as far as our refrigerant gases are concerned) to lower / zero ODP freons (HFCs) that was mandated under the Montreal Convention. SPO has committed to a reduction in normalised (in terms of ODP and GWP) escapes of fugitive freons to the environment by 5% y-o-y.

Our ODS emissions are being tracked. We have a target of a 50% reduction of R-22 refrigerant (freons) used in the fleet in 2020 and eventually from the remaining vessels, in accordance with the Kigali Amendment.

Usage of various ODS remains stable y-o-y with the only significant increase of HFCs-R417a by 66% and HFCs-R407c by 75%. However, both have zero ODP.

Total Scope 1 HCFC / HFC Emissions (tCO₂e)



NO_x, SO_x, PM and VOC Emissions

We measure and monitor Nitrogen Oxide (NO_x), Sulphur Oxides (SO_x), Particular Matter (PM) and Volatile Organic Compounds (VOC). Their emissions are proportionate to our use of fuel and the reasons for fluctuations are identical to those for Scope 1 and Scope 3 fuel consumptions.

Total Scope 1

		2015	2016	2017	2018	2019
NO _x	tonnes	1,820,094	1,627,475	1,895,210	1,675,730	1,379,437
SO _x	tonnes	717,573	641,539	747,102	660,674	543,869
PM	tonnes	50,151	44,843	52,220	46,173	38,009
VOC	tonnes	404,067	361,305	420,743	372,018	306,240



Total Scope 3

		2015	2016	2017	2018	2019
NO _x	tonnes	8,899,670	7,692,143	6,641,755	6,762,822	7,129,716
SO _x	tonnes	4,073,074	3,520,430	3,039,704	3,095,112	3,263,027
PM	tonnes	244,387	211,228	182,384	185,709	195,784
VOC	tonnes	1,975,430	1,707,399	1,474,248	1,501,121	1,582,559



Water Use – Not Material

As a service industry we have an immaterial use of water (it is solely for domestic “hotel services” for our crews on board of ~ 15 - 25 people) compared to other businesses involved with industrial processes. In fact, we can make potable water on our vessels from seawater utilising the waste heat from our vessels’ internal combustion engines and / or reverse osmosis machines when away from river deltas and outside the 500m zone from rigs and platforms.

We can make potable water on our vessels from seawater utilising the waste heat from our vessels’ internal combustion engines and / or reverse osmosis machines.



Photo by Omar Gattis on Unsplash

Effluents and Waste

There was no material (defined as being > 209 litres) spills of substances harmful to the marine environment during the period of this report.

All vessels are provided with an externally reviewed and approved “Shipboard Marine Pollution Emergency Plan” (SMPEP) which forms part of the Emergency Guidance Manual. This document complies with the IMO MARPOL Convention for the Prevention of Pollution from Ships.

A Garbage Management Plan (GMP) is also provided on all vessels in compliance with the requirements of Annex V, Regulation 10, of the MARPOL Convention (The International Convention for the Prevention of Pollution from Ships). This requires vessels to carry an externally reviewed and approved Garbage Management Plan as guidance for ship’s staff in properly disposing of garbage generated on board.

All vessels are provided with an externally reviewed and approved “Shipboard Marine Pollution Emergency Plan” (SMPEP) which forms part of the Emergency Guidance Manual.



Emission Reduction Strategy

The UN Paris Climate Agreement and the UN Sustainable Development Goals urge governments and private sector companies to work together and take urgent action to combat climate change and its negative impact on the world, people and environment.

In 2018, IMO at MEPC-72 adopted an emission reduction strategy in line with UNFCCC Paris Agreement. This strategy requires that the shipping industry must reduce its total annual greenhouse gas emissions.

Relevant excerpts from the adopted strategy on the level of ambition set by the IMO are:

1. Carbon Intensity of the ship to decline through implementation of further phases of the Energy Efficiency Design Index (EEDI) for new ships – review with the aim to strengthen the energy efficiency design requirements for ships with the percentage improvement for each phase to be determined for each ship type as appropriate;
2. Carbon intensity of international shipping to decline - to reduce CO₂ emissions per transport work unit (EEOI), as an average across international shipping, by least 40% by 2030, pursuing efforts towards 70% by 2050, compared to the baseline year of 2008; and
3. GHG emissions from international shipping to peak and decline - to peak GHG emission from international shipping as soon as possible and to reduce the total annual GHG emissions by at least 50% by 2050 compared to the baseline year of 2008 whilst pursuing efforts towards phasing them out as called for in the Vision as a point on a pathway for CO₂ emissions reduction consistent to the Paris Agreement temperature goals.

Following the initial IMO strategy, the MEPC-74 session (in May 2019) approved amendments to strengthen existing mandatory requirements for new ships to be more energy efficient.

There is a clear ambition to pursue efforts towards phasing out GHG emissions from international shipping entirely by the end of this century. Some of the avenues to get to the set goals includes looking at the provision of ship and shore-side / on-shore power supply from renewable sources, and developing infrastructure to support the supply of alternative low carbon and zero carbon fuels.

Further Information:

UN Paris Climate Agreement:
<https://bit.ly/2Mhx4Ci>

UN Sustainable Development Goals:
<https://bit.ly/2U0vYz3>



Photo by Cedric Frixon on Unsplash

Demand for Oil and Gas Services

The World Energy Outlook* highlights the deep disparities of today's energy world: oil markets and geopolitical tensions, carbon emissions and climate targets, the promise of energy for all and the lack of electricity access for 850 million people around the world. The gap between expectations of fast, renewables-driven energy transitions and the reality of today's energy systems in which reliance on fossil fuels remains high.

The supply of energy from Offshore Wind is gathering speed, having the technical potential to meet today's electricity demand many times over. It is a variable source of generation, but offshore wind offers considerably higher capacity factors than solar PV and onshore wind thanks to ever-larger turbines that tap higher and more reliable wind speeds farther away from shore. Increasingly cost-competitive offshore wind projects are on course to attract a trillion dollars of investment to 2040.

*IEA / World Energy Outlook 2019: <https://bit.ly/2Cpw6lB>

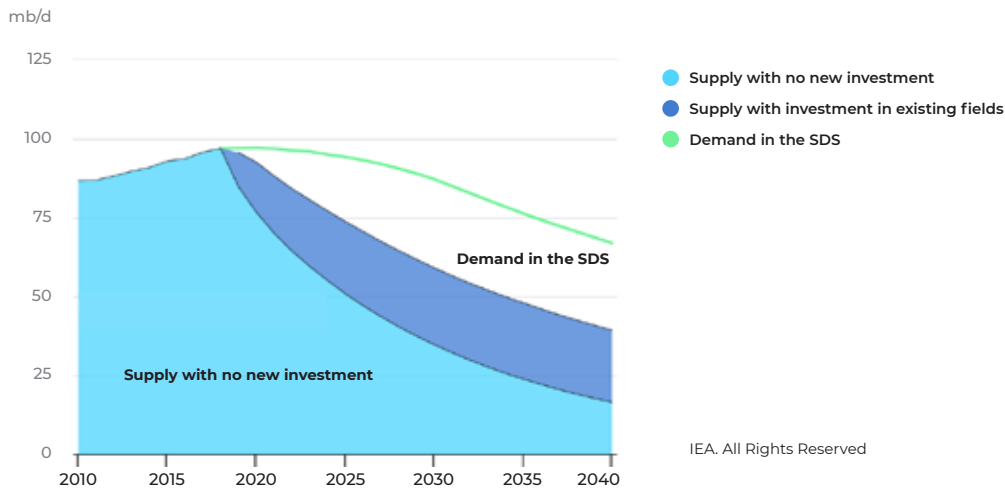
The Oil and Gas industry is facing increasing demands to clarify the implications of energy transitions for their operations and business models, and to explain the contributions that they can make to reducing greenhouse gas emissions and to achieving the goals of the Paris Agreement.**

No Oil and Gas company will be unaffected by clean energy transitions, so every part of the industry needs to consider how to respond. Minimising emissions from core oil and gas operations should be a first-order priority for all, whatever the transition pathway.

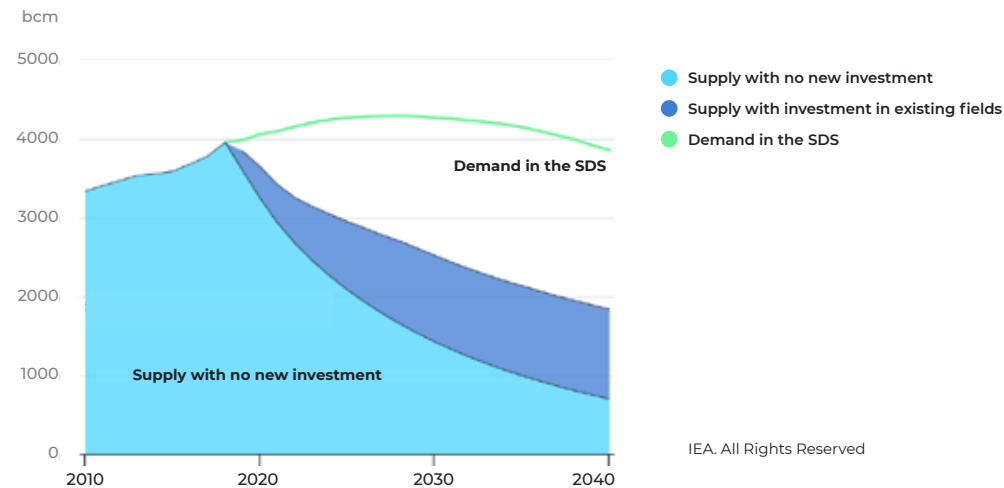
Production from existing fields are predicted to decline at a rate of roughly 8% per year in the absence of any investment, larger than any plausible fall in global demand. Consequently, investment in existing and some new fields remains part of the picture.

**IEA / The Oil and Gas Industry in Energy Transitions: <https://bit.ly/305i3vz>

GLOBAL OIL DEMAND
in the Sustainable Development Scenario and decline in supply from 2019 to 2040



GLOBAL GAS DEMAND
in the Sustainable Development Scenario and decline in supply from 2019 to 2040



But as overall investment falls back, and markets become increasingly competitive, only those with low-cost resources and tight control of costs and environmental performance would be in a position to benefit.

The transformation of the energy sector can happen without the Oil and Gas industry, but it would be more difficult and more expensive. Oil and Gas companies need to clarify the implications of energy transitions for their own operations and business models, and to explain the contributions that they can make to accelerate the pace of change.

With climate impacts becoming more visible and severe over the coming years, the pressure on all elements of society to find solutions will be increasing. These solutions cannot be found within today's Oil and Gas paradigm.

Approximately 70 - 80% of SPO's revenue currently comes from fossil fuel-related business. With the adoption of alternative energy accelerating fast, SPO needs to continue to diversify our business; reducing our dependence on the Oil and Gas sector whilst building on our strong, safety conscious and experienced maritime skills.

SPO is always looking for suitable opportunities to further improve the sustainability of our business decarbonising our operations. We are currently developing projects that are evaluating improving the operational efficiencies of our vessels, minimising our environmental impact and reducing shore-based electricity consumption. All these projects are either work in progress or at concept stage. We are also actively exploring the feasibility of other low / zero carbon fuels in green marine projects (see "Project Hafnium" section on page 101).



With the adoption of alternative energy accelerating fast, SPO needs to continue to diversify our business; reducing our dependence on the Oil and Gas sector whilst building on our strong, safety conscious and experienced maritime skills.

Climate-related Risks, Opportunities and Risk Management

Impacts from climate change are already noted in ports and shipping channels due to rising sea levels and changed erosion and sedimentation patterns. Extreme weather events (containing more energy as the atmosphere / oceans system warms up) have the potential to affect our operations both offshore and in ports and operations of our clients especially their offshore infrastructure.

Whilst weather patterns remain unpredictable, we have a diverse fleet of powerful vessels and well-trained employees to support the industry during climate / weather changing conditions safely. SPO is addressing our safety measures pertinent to those risks and to our

continuing to aim for achieving our goal of Zero Harm.

Our Business Continuity Plans cover our shore operations for such unpredictable events to ensure that we can continue our global operations with zero or minimum accidents and down time.

We believe that SPO's current risk management and business planning processes are robust enough to mitigate the risks associated with anthropogenic climate change over the next three decades to 2050. We will continue to monitor and adjust our business policies and strategy accordingly as climate policy developments unfold.

The following is our approach to minimising potential climate related threats:

Risk management

There is an established mechanism for early identification and addressing increased climate related risks within the overall SPO group risk management process.

Operating efficiency

Integrating sustainability / energy efficiency specifications into vessel design and operations and addressing ways to reduce carbon footprint of SPO's offices.

Carbon offset

Continuing to offset our current GHG emissions through dual accredited carbon offset REDD+ project and supplementing the downfall in credits by purchasing additional credits from credible projects delivering additional social value to the communities in project locations until such time as we have financially viable technological and / or operational means to eliminate them.

Alternative fuels

Actively investigating opportunities to radically decarbonise our operations through the determination and proof of the feasibility of a low / zero carbon alternative to fossil fuel. SPO launched *Project Hafnium* in 2017.

Future regulations

Monitoring future market traits and regulatory conditions and "future-proofing" our business.

Client energy management

Working with our clients to reduce their fuel use (and costs). SPO introduced FUELTRAX on six vessels to manage and improve fuel consumption.

The Task Force on Climate-related Financial Disclosures

The Task Force on Climate-related Financial Disclosures (TCFD)* provides voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, insurers, and other stakeholders. TCFD helps companies understand what financial markets want from disclosure in order to measure and respond to climate change risks and encourages companies to align their disclosures with investors' needs.

SPO communicates its approach to climate change mitigation, adaptation and resilience in accordance with its Climate Resilience SOP. We will address this in more detail in 2020 as the group comes to a consensus on the most applicable Representative Concentration Pathway (RCP) to use for our scenario planning.

*Source: <https://www.fsb-tcfd.org>

For related information see:

IPCC (The Intergovernmental Panel on Climate Change):
<https://bit.ly/3eFDas5>

The Guardian: <https://bit.ly/36Um4nR>

SPO communicates its approach to climate change mitigation, adaptation and resilience in accordance with its Climate Resilience SOP.



Photo by Samuel Scrimshaw on Unsplash

SPO is already voluntarily offsetting our Scope 1 and 2 emissions and investing in research programmes on alternative fuels. Through the ISO 14001:2015 Environmental Management Manual and relevant MARPOL regulations, we manage our daily operational risks related to climate change, carbon and energy management. The SPO group takes steps to build our resilience to climate change through:

Mitigation

- Reducing its carbon footprint through the establishment and implementation of long-term carbon emissions reduction targets;
- Adopting industry best practices to improve energy efficiency in its operations;
- Increasing the use of renewable energy in its buildings through on-site energy generation;
- Purchase of renewable energy and other methods where applicable;
- Encouraging its employees, suppliers and customers to reduce carbon emissions in their daily operations wherever practicable;
- Incorporating climate change considerations in its procurement processes and encourage the use of low carbon and energy efficient products and materials.

SPO is already voluntarily offsetting our Scope 1 and 2 emissions and investing in research programmes on alternative fuels.

Adaptation

- Assessing climate change and any associated financial and other risks and opportunities, in order to enhance its understanding of the impact of climate change on its operations;
- Putting in place appropriate processes and measures intended to prevent or minimise the damage that climate change may cause and to take advantage of the opportunities that may arise;
- Considering climate change in the location and design of new vessels and projects;
- Addressing climate change risks as part of its corporate risk management process.

Building Adaptive Capacity

- Incorporating climate change and extreme weather events into its business continuity plans; and
- Ensuring that relevant information and resources are available for the monitoring and regular review of the impact of climate change impact on our operations.

We have set ourselves 3% intensity y-o-y reduction target for the reduction of our carbon footprint, which we measure and report on every quarter to our parent company. Our Risk Management process is outlined in the previous section.

We are in dialogue with Swire Pacific Limited on how to better address this issue at the Company level and across the group.



Photo by Steve Halama on Unsplash

Project Hafnium

Project Hafnium was set up to explore the viability of hydrogen (H₂) production, storage, and power for Offshore Supply Vessels, with the goal of radical decarbonisation through the use of H₂-based fuel. SPO worked in a consortium with Nanyang Technological University's Maritime Energy and Sustainable Development Centre of Excellence (MESD CoE) with other knowledge partners.

The first phase of project was dedicated to identifying the most appropriate hydrogen-based fuels and technologies for marine applications and to addressing safety and other systemic limitations. A feasibility study was conducted in 2019 with the initial focus to investigate the possibility to produce hydrogen on board and use it as fuel in the existing diesel engines.

However, this was not a technically feasible option as the hydrogen engine technology has several unresolved issues. The research was extended to alternative ways to store hydrogen and extract useful energy from it, including chemical hydrogen carrier molecules such as methanol and ammonia that can be used both as fuels in internal combustion engines or as hydrogen sources. The analysis revealed that although there is potential for methanol and ammonia as hydrogen carriers for marine fuel cells, the technology is still not mature at present day to commit to for new ships.

Ultimately, when fuel cell and / or on board hydrogen purification technologies will develop further and when costs will be sufficiently low, methanol (or ammonia if

the safety issues when loading, storing and using can be addressed) can be used as source of hydrogen. We may evaluate this in the future through individual projects for retrofitting.

For more information, view the summary report here:
<https://bit.ly/3gKK7tY>



***Project Hafnium* was set up to explore the viability of hydrogen (H₂) production, storage, and power for Offshore Supply Vessels, with the goal of radical decarbonisation through the use of H₂-based fuel.**

Biodiversity

At SPO, we understand that maintaining and enhancing biodiversity is critical to the maintenance of a resilient natural environment. There is a need to protect and enhance the ecosystems that we operate within and impact upon to help nature flourish. Various inputs to our operations such as fuel oil, paints, ballast water, food and packaging, cargo packing materials, lubricants and chemicals are vital for our operations and inputs such as lubricants and various chemicals help to improve the efficiency of our vessels.

However, these inputs may also result in negative impacts on the biodiversity in the areas in which we operate. Hence, to achieve our goal of sustainable development and in line with global biodiversity regulations, a greater understanding and emphasis of ecosystem resilience is required. There is a need to assess and identify biodiversity issues of concern to eliminate or minimise the adverse impacts on biodiversity. We produced Biodiversity Issues of Concern ("BIC") and Biodiversity Action Plan ("BAP") for

our business to develop understanding of the potential impacts and mitigate them. We also have in place the Biodiversity Standard Operating Procedure ("SOP") and are a part of the Swire Pacific Limited Biodiversity Working Group under SwireTHRIVE.

We are always looking for opportunities to enhance the biodiversity. SPO partners the Endangered Species International ("ESI") in South Mindanao, The Philippines, to protect International Union for Conservation of Nature ("IUCN")-critically endangered Philippine forest turtles on Mount Matutum assisted with a programme on mangrove and coastal reef conservation, management and rehabilitation activities in the Sarangani Bay area.

Under our "Paraguay Forest Conservation Project" ("PFCP"): Reduction of GHG emissions from deforestation and forest degradation" we are helping to tackle the alarming rate of deforestation in Paraguay which also delivers material benefits for climate and biodiversity.

At SPO, we understand that maintaining and enhancing biodiversity is critical to the maintenance of a resilient natural environment. There is a need to protect and enhance the ecosystems that we operate within and impact upon to help nature flourish.



Top: Tanner Larson on Unsplash | Above: Johnny Chen on Unsplash

SPO's contribution to protecting endangered animal species

SPO has been the project proponent (or owner and driver) of an internationally registered and independently audited "Paraguay Forest Conservation Project: Reduction of GHG emissions from deforestation and forest degradation" since 2010. This project is managed in partnership with Guyra Paraguay, a not-for-profit biodiversity conservation organisation.

The project went through an audit process in October 2019 which included the first biodiversity monitoring (i.e. measuring the variety of plant and animal life in a particular area). This is done through the analysis of the camera traps located in the Chaco-Pantanal, Tobich area, which is one of two project locations. The camera captured an individual of jaguar species (*Panthera onca*), the largest native cat species.

The number of jaguars has been declining due to the loss and fragmentation of habitat and this is the first time that it had been seen in the area. Jaguars are now in the category of Near Threatened (NT) according to the International Union for Conservation of Nature and Natural Resources (IUCN). In Paraguay, jaguars are categorised as Critically Endangered (CR) as the species are being hunted because they interfere with the economic interests of the ranchers.

Panthera onca is the largest predator of the Neotropic (zoogeographical region), it requires large spaces called "home ranges" to survive, so habitat fragmentation leads to population decline. The species are usually recorded at low densities, and that is probably the reason it was first recorded in Tobich.

Through the project, the studies of cameras trap images will continue. We are very excited to see that SPO's project contributes to the conservation of animal species native to this area by providing ample shelter space for the endangered species to survive. The project also records circular patterns in the form of rosettes (which are like fingerprints, unique to each individual species), allowing researchers to keep track of a great variety of species in the project area.

Above left: Photo by Uriel Soberanes on Unsplash | Above right: Photo by Conscious Design on Unsplash



Pictured above: Motion activated photograph of the jaguar of the *Panthera onca* species appearing in the camera frame. It is the largest native cat species of Paraguay and is classified as a Critically Endangered (CR) species.

6 | Our Communities

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111 Mbredane School Development Project in Ghana

112 Employee Volunteering and Fundraising

Our Projects

SPO actively supports local communities in countries where we have a major presence and invests in education and talent development in these key stakeholder communities. Our support for the communities generally focuses on Community, Education, Environment and Biodiversity, Health and Youth.



SPO believes that long-term value creation depends on the sustainable development of the Company and giving back to the different communities in which SPO operates and impacts. The Company invests strongly in education and talent development through the provision of scholarships and runs a number of long-term Corporate Philanthropic (CP) projects by partnering with key stakeholder communities around the world.

Investment in Education

SPO invests significantly in the education within Singapore, both internally and externally, of population at large, as Singapore is one of our key stakeholder communities. We demonstrate our belief in growing the local talent pipeline by providing scholarships and employment opportunities to Singaporean students.

SPO works closely with Maritime and Port Authority of Singapore (MPA) and taps on International Maritime Cluster Fund-MCP to offer attachment opportunities (internship, management associates / trainees and overseas attachment). SPO also encourages our local employees to continuously upgrade their knowledge and expertise through MPA-approved training programmes.

SPO supports grooming of local seafarers as part of the Tripartite Maritime Scholarships at the MaritimeONE Scholarships Awards Ceremony 2019

On 8th August, Swire Pacific Offshore (SPO) awarded five Tripartite Maritime Scholarships (TMSS) at the MaritimeONE Scholarship Awards Ceremony 2019. Introduced in 2002, the TMSS aims to attract and groom outstanding youth to pursue maritime careers as seafaring professionals. The scholarship programme is jointly sponsored by the Maritime Port Authority Singapore (MPA), shipping companies, Singapore Maritime Officers' Union (SMOU) and Singapore Organisation of Seamen.

It is open to students pursuing the Diploma in Nautical Studies or Diploma in Marine Engineering at the Singapore Maritime Academy, Singapore Polytechnic (SMA-SP).

James Fortnum, Safety & Marine Assurance Director represented SPO during the award ceremony and presented the scholarships to five awardees who are currently pursuing diplomas in Nautical Studies and Marine Engineering at SMA-SP.

As part of the scholarship, awardees will have the opportunity to sail on board SPO's vessels to gain experience in seamanship.



*Pictured left:
(First row, left to right)*
Jamie Chng,
Assistant Manager,
Marine Manning;
Award recipients and
James Fortnum,
Safety & Marine
Assurance Director.

SPO invests in local talent pursuing qualifications in Nautical Studies and Marine Engineering at Singapore Maritime Academy (SMA) via the Tripartite Maritime Scholarships (TMSS). SPO co-sponsored the Certificates of Competency (COC) of five students up to the level of certification as Masters and Chief Engineers with MPA. These scholars will have the opportunity to sail on SPO's vessels to gain sea-time experience.

SPO is also the founding and ongoing sponsor of the Singapore Management University (SMU)'s Maritime Business and Operations Track (MBOT) programme. SPO's investments contribute towards helping Singapore become the leading international maritime centre in this region.

The Company organises visits for local tertiary maritime students to visit Swire Marine Training Centre to learn about our training facilities and programmes. We also participate in career fairs at local universities and employ Singaporeans as interns at the SPO Head Office.

To date, SPO has supported 12 undergraduates as part of the MaritimeONE programme by Singapore Maritime Foundation (SMF). These graduates undergo a two-year Management Trainee (MT) programme, which rotates them to business units and overseas subsidiary companies. The programme aims to accelerate their professional development by imparting business knowledge while deepening cross-cultural learning. Five of them are currently working in SPO.

SPO has been collaborating with a number of universities in Singapore to provide internship programmes to students with an interest of working in the maritime industry. At SPO, we strongly believe that there is mutual value in internship programmes and it is an important part of investing into future industry talent.

To date, SPO has supported 12 undergraduates as part of the MaritimeONE programme by Singapore Maritime Foundation (SMF).



Pictured above (Left to Right): **Regina Chan**, Talent Specialist; **Willis Ng**, Assistant Manager, Corporate Development; **Eugene Loh**, Global Head, HR Services; **Jace Heng**, HR Business Partner (Middle East & Africa) and **Zac Ang**, HR Advisor (Southeast Asia).

During the event, the SPO team interacted with students who wish to join SPO for internship opportunities and full-time positions and shared more about our Company's work culture and career opportunities.

SPO participates in International Trading Institute (ITI) Career Fair at the Singapore Management University

On 8th March, SPO participated in the Career Fair organised by the Singapore Management University (SMU) on campus which was attended by about 90 students and working executives.

The SPO team present comprised Global Head, HR Services, HR Business Partner (Middle East & Africa), HR Advisor (Southeast Asia), Talent Specialist, and Assistant Manager, Corporate Development.

SPO is among the 10 participating companies from various industries alongside Maritime SG Connect, a national initiative supported by the Maritime and Port Authority of Singapore (MPA) to profile the maritime industry and connect students and jobseekers with multiple pathways into the industry.

During the event, the SPO team interacted with students who wish to join SPO for internship opportunities and full-time positions and shared more about our Company's work culture and career opportunities. ITI also manages the International Trading Professional Conversion Programme (PCP), a government-supported programme aimed at assisting mid-career executives who are looking to make career switches into the trading or maritime sectors. The SPO team also interacted with some of these executives who were present at the fair.

ITI also manages the International Trading Professional Conversion Programme, a government-supported programme aimed at assisting mid-career executives who are looking to make career switches into the trading or maritime sectors.

SPO sponsors the annual Swire Pacific Offshore Bursary at Nanyang Technological University (NTU) in perpetuity. This SGD 250,000 bursary supports two students with disabilities (when possible) and from low income backgrounds to undertake Engineering / Maritime studies at the undergraduate level each academic year.

As a maritime leader, we seek to share our best practices with the younger generation of talent through delivering guest lectures at Singapore's Institutes of Higher Learning including NTU, SMU and SIT/RMIT and the provision of paid guided internships with defined learning objectives.

SPO continues investment in education through SPO Regional Maritime University (RMU) partnership in Ghana. SPO provides scholarships, internships, exchange and employment opportunities to up to two deserving students each year (one Deck Cadet and one Engineering Cadet) from RMU's five founder nations of Cameroon, Cote d'Ivoire, Ghana, Nigeria and Sierra Leone. Upon graduation, they may join us as junior officers to (primarily) SPO West Africa fleet.

SPO invested in Ghana Marine Training Centre (GMTC), the training facility that bears testament to SPO's strong commitment towards safety and investing in local communities in which we operate. This project was an initiative developed by SPO in response to a clear gap in marine training services in Ghana. The facility contains Dynamic Positioning reference systems and purpose-built computers to provide training in these systems. SPO has also broadened the courses to provide safety training and officer courses for those seeking a career at sea.



Supporting ASSM Dependents Association (ASSMDA)

ASSMDA is an independent, not-for-profit organisation headquartered in Manila, to support the dependents of ASSM seafarers and to work with local communities on educational, social and civic projects. SPO provides ongoing assistance for the monthly operating costs of ASSMDA through joint funding with our sister company, The China Navigation Company.

ASSMDA provides voluntary assistance to the seafarers' families in times of need and aims to improve their livelihoods through organising value-added social activities such as making candles, dishwashing liquids, fabric conditioners and bracelets.

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Partnership with Endangered Species International

South Mindanao, The Philippines

SPO partners the Endangered Species International (ESI) in South Mindanao, The Philippines, to protect International Union for Conservation of Nature (IUCN)-critically endangered Philippine forest turtles on Mount Matutum.

SPO also assists with a programme on mangrove and coastal reef conservation, management and rehabilitation activities in the Sarangani Bay area, some 80 kilometres downstream of the turtle habitat. SPO sponsors our Filipino seafarers who work as volunteers for the rehabilitation of forests and mangroves for a period of five days.

This programme was established in 2013 following a request from one of SPO's seafarers to help save the turtles of the Philippines and has since developed into a long-term partnership that we are immensely proud of and for which our caring seafarers willingly volunteer.

In 2019 SPO organised two field trips during which:

- 1,000 wildings collected and 252 native trees planted,
- 550 trees maintained,
- Completed renovation of a native tree nursery,
- 15 sacks of non-biodegradable waste collected during coastal clean-up campaign,
- Two conservation awareness campaigns attended.

Ongoing conservation efforts in the Philippines

From 18th to 23rd March 2019, five volunteers from SPO participated in conservation activities conducted by Endangered Species International (ESI) in Tupi, South Cotabato. These volunteers are our Filipino seafarers who have expressed interest to be a part of this project during their leave period. Through this partnership with ESI, our seagoing employees have an opportunity to learn about conservation and endangered species preservation and do their part in helping to restore and protect the natural habitats of freshwater turtle species including the endangered ones.

This project is located in Mount Matutum protected landscape, in South Cotabato. There is another project location under this partnership and that is the Sarangani Bay protected seascape. In Sarangani Bay, ESI

works on protection and restoration of seagrass beds and mangrove areas connected to coral reefs. Within a short span of five days, our volunteers collected 1,000 rare native tree species from the forest floor of Mount Matutum under the guidance of ESI's field biologists, conducted weeding for 350 planted and naturally growing trees, monitored 200 trees, restored ESI's native tree nursery and conducted creek clean-up along with the local community.

As part of the project, our volunteers also actively participated in various discussions on turtles, tarsiers and environmental conservation in the Philippines, specific to the Mount Matutum area. They also joined in ESI's conservation campaign conducted in Linan where 250 school children were involved in ESI's nature conservation activities.

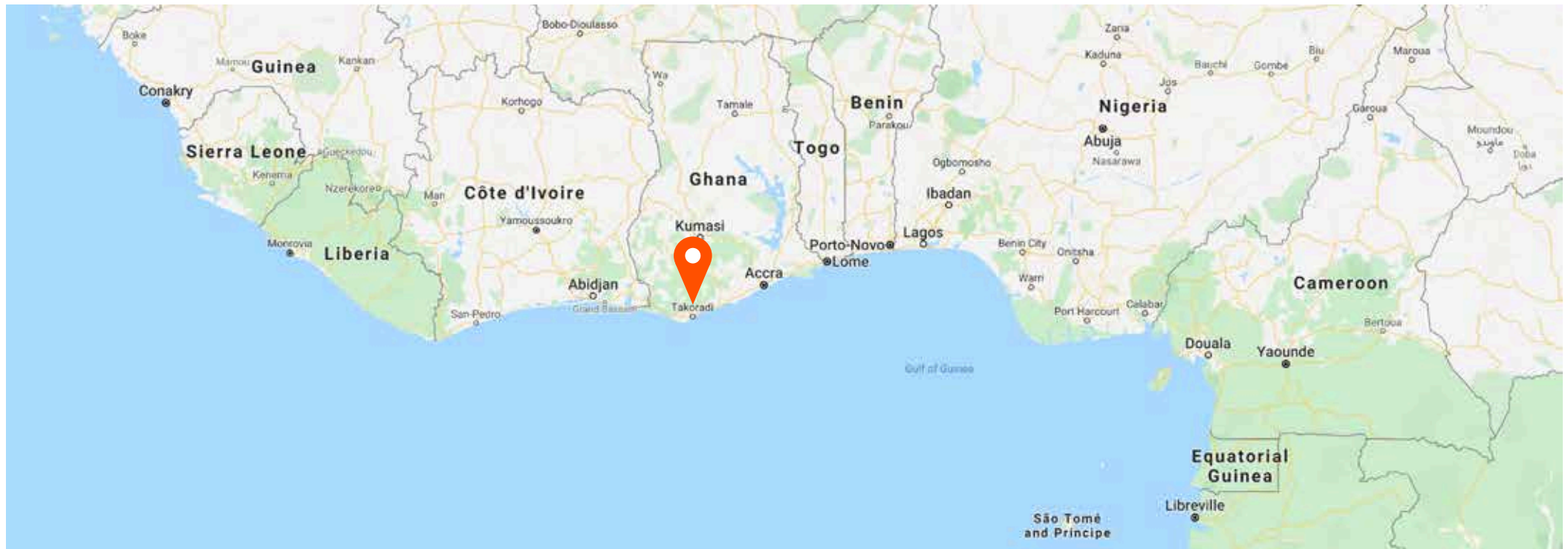


“The involvement of SPO volunteers provides a direct, continuous and long-lasting support to our projects in the field where it is needed the most. Local communities get re-energised in protecting nature each time volunteers come back to our project sites.”

Pierre Fidenci, Founding Director, ESI

Mbredane School Development project in Ghana

SPO was very happy to support the construction of a three-classroom school and toilet block for 85 children in the Mbredane community near Takoradi, Ghana. This is a multiyear project which started in 2019 and will be completed in 2020.



Employee Volunteering and Fundraising

SPO spearheads meaningful community partnerships and corporate volunteering events for employees to learn, volunteer and to raise awareness of the work of non-profits and charities. Employees are entitled to two days of volunteering work leave which they can use for volunteering activities they do outside of work.

In February, SPO donated food items from its Christmas and Chinese New Year hampers to a local NGO, Food from the Heart (FFTH). In August, SPO initiated a food donation drive in Singapore where employees pooled donations and groceries for needy families. SPO then held its first food-packing session at FFTH's premises where volunteers helped to sort food packs for underprivileged families.

In November, SPO held a collection drive in support of Peace-Connect Senior Activity Centre in Singapore. Employees donated new clothes, household items, souvenirs that were gifted as presents and lucky draw prizes for 400 elderly residents at their Christmas party.

In December, SPO partnered Central Singapore CDC for the fourth run of *Project Painting Smiles*, a roving arts initiative to create vibrant community spaces through mural painting. Employees brought cheer to the underprivileged children at Life Community Services Society through art and craft workshops and games.

For more information please visit:
<https://bit.ly/3crQ5g4> (YouTube)

In 2019 we organised employee volunteering events in partnership with two not-for-profit organisations addressing social issues in Singapore:

- Food from the Heart
- Ground-Up Initiative: Food With Love

We also collaborated with Seven Clean Seas for a beach clean-up exercise in Singapore.

<https://sevendecleanseas.com>

53 SPO employees spent 214 hours doing corporate volunteering work.

53 SPO employees spent 214 hours doing corporate volunteering work.





Pictured above: Volunteers from SPO who spent hours packing food packs at FFTH.

14 volunteers from different departments headed to the warehouse to gain a better understanding and appreciation of how donated food items are re-categorised and sorted for distribution to underprivileged families in Singapore.

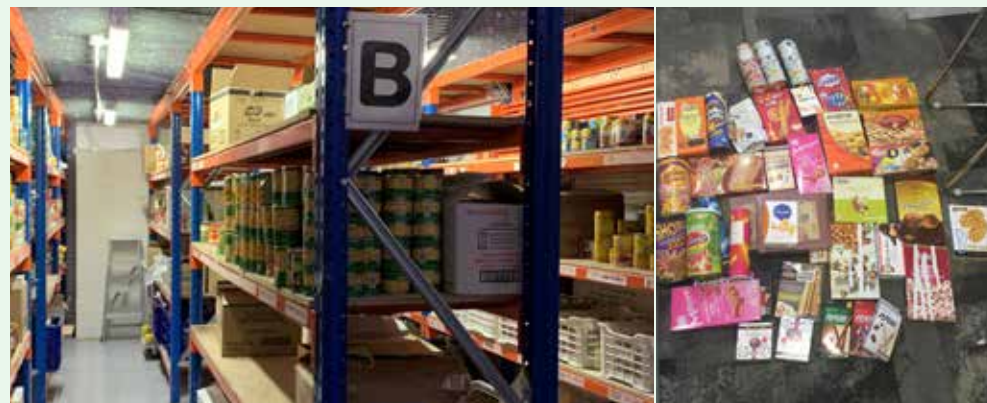
SPO collaborates with Food from the Heart in aid of underprivileged people in Singapore

SPO has donated food items from our Christmas and Chinese New Year hampers to through our long term partner, Food from the Heart (FFTH).

All the items in the hampers have been sorted into three boxes to include chocolates, biscuits and canned food. The items were re-distributed to underprivileged individuals and families that they serve. The boxes of chocolates and biscuits were used for their signature toys “buffet” event in October where underprivileged children are invited to enjoy a meal and bring home three gifts including toys, food items and games.

Following the collection drive, SPO’s employees went for their first food packing session with FFTH on 7th August 2019. 14 volunteers from different departments headed to the warehouse to gain a better understanding and appreciation of how donated food items are re-categorised and sorted for distribution to underprivileged families in Singapore.

SPO employees were divided into smaller groups on site to sort and pack donated items that will be sent to homes, service centres and those in need. Together, more than 200 bags were packed and stacked on pallets for delivery.



Learning to harvest vegetables

On 8th November, our employees spent their Friday morning working hard on the farm of Kampung Kampus in Singapore. The volunteers harvested vegetables as part of a corporate volunteering event led by SD.

Kampung Kampus, a 2.6-hectare low-carbon community campus is built by the community on the grounds of Ground-Up Initiative (GUI). GUI is a non-profit organisation in Singapore which aims to be a role model in urban sustainability and nurture grounded leaders in the country.

Besides our volunteers, students and their teachers from the Rainbow Centre also participated in the harvesting process. Rainbow Centre is a social service agency in Singapore that supports persons with disabilities to lead empowered lives in inclusive communities. The students were invited to be part of this activity to give them some hands-on experience working on a farm so that they can learn useful skills and encourage them to pick up gardening as a hobby.

Volunteers were briefed on how to harvest various types of vegetables and soon busied themselves in the greenhouse. The yield included more than 20 kg of watercress, spinach, Chinese broccoli among others. After the vegetables were collected, volunteers were divided into two groups, one tasked to pack the vegetables while the other headed back to the greenhouse to prepare the ground for growing the next crop. Volunteers were also taught how to use the hoe to loosen the soil and planted the germinated seeds into the ground.



Pictured above: SPO and CNCo volunteers at Kampung Kampus with their harvest.

Volunteers were briefed on how to harvest various types of vegetables and soon busied themselves in the greenhouse. The yield included more than 20 kg of watercress, spinach, Chinese broccoli among others.



Pictured above: SPO and CNCo volunteers in a group picture with the 1,470 kg of ocean plastic amassed during the beach clean-up exercise.

Eight million tonnes of plastic goes into the ocean every year. This is equivalent to one garbage truck dumping plastics into the ocean every minute, continuously for a year.

Employees help to remove one tonne of ocean plastic in beach clean-up exercise held in Singapore

The Sustainable Development (SD) team organised a beach clean-up exercise for our employees on 16th August. We partnered Seven Clean Seas, a small beach cleaning community based in Singapore and gathered about 30 volunteers to do our part for the environment.

The afternoon started with a presentation by Tom Peacock-Nazil (Tom), Co-founder and CEO of Seven Clean Seas, who shared about the two-edged nature of plastics. Plastic is useful – it is pervasive, corrosion-proof, easy to clean and light in weight. However, plastic becomes harmful as we are increasingly and unintentionally eating, drinking and breathing microplastics. Microplastics are tiny fragments (less than five millimetres) when plastics break down. In the breakdown process, methane, which is 20 times worse than carbon dioxide is released into the air. Plastic is literally everywhere and it is not going away. Eight million tonnes of it goes into the ocean every year. This is equivalent to one garbage truck dumping plastics into the ocean every minute, continuously for a year.

Our volunteers spent the afternoon walking along the shore of one of Singapore's beaches, picking up any garbage they spotted. Many items washed ashore were single-use plastic (SUP) items such as bottles, straws and snacks' packaging. Over a span of two hours, our volunteers amassed a total of 1,470 kg of ocean plastic.

7 | Data

Data

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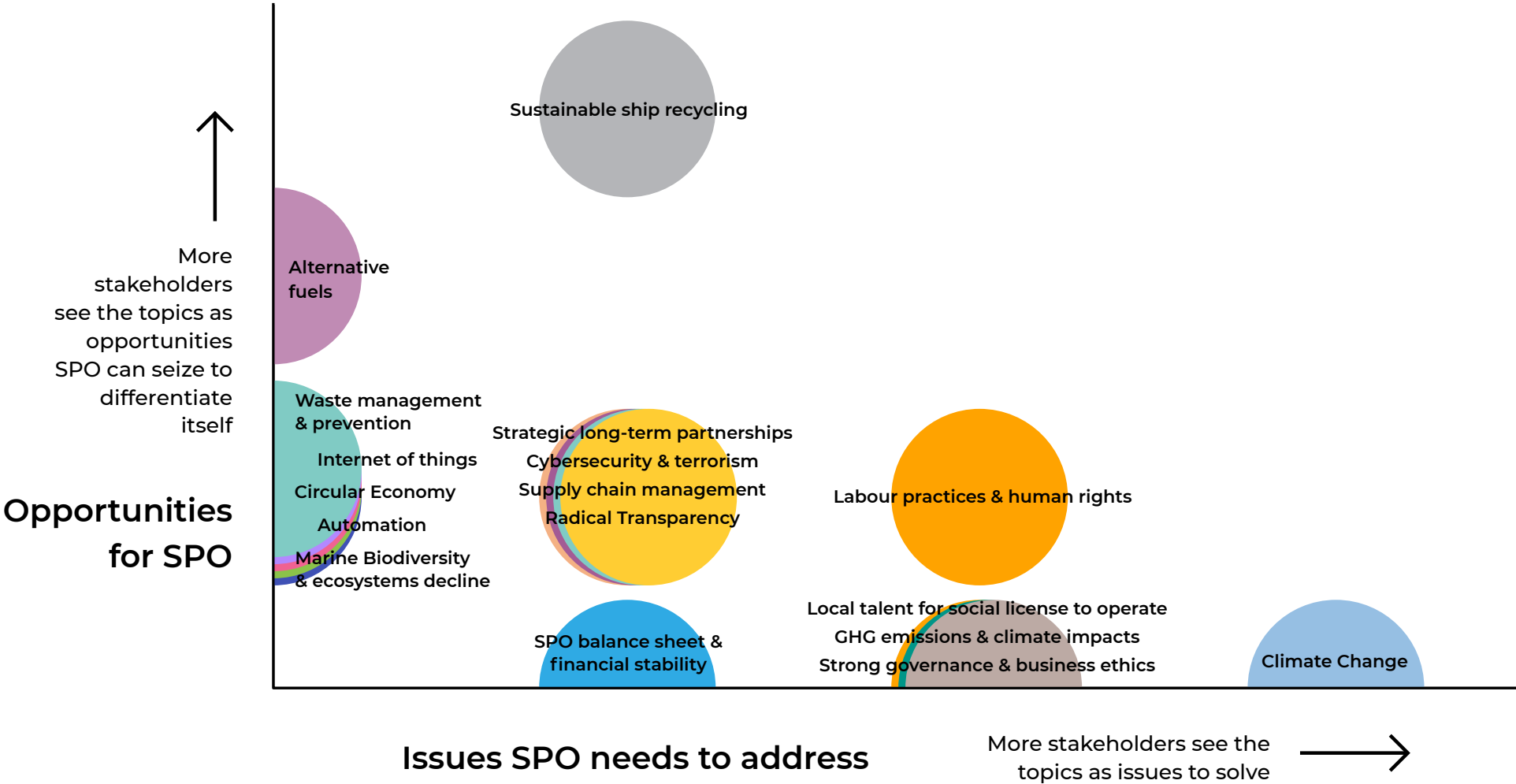
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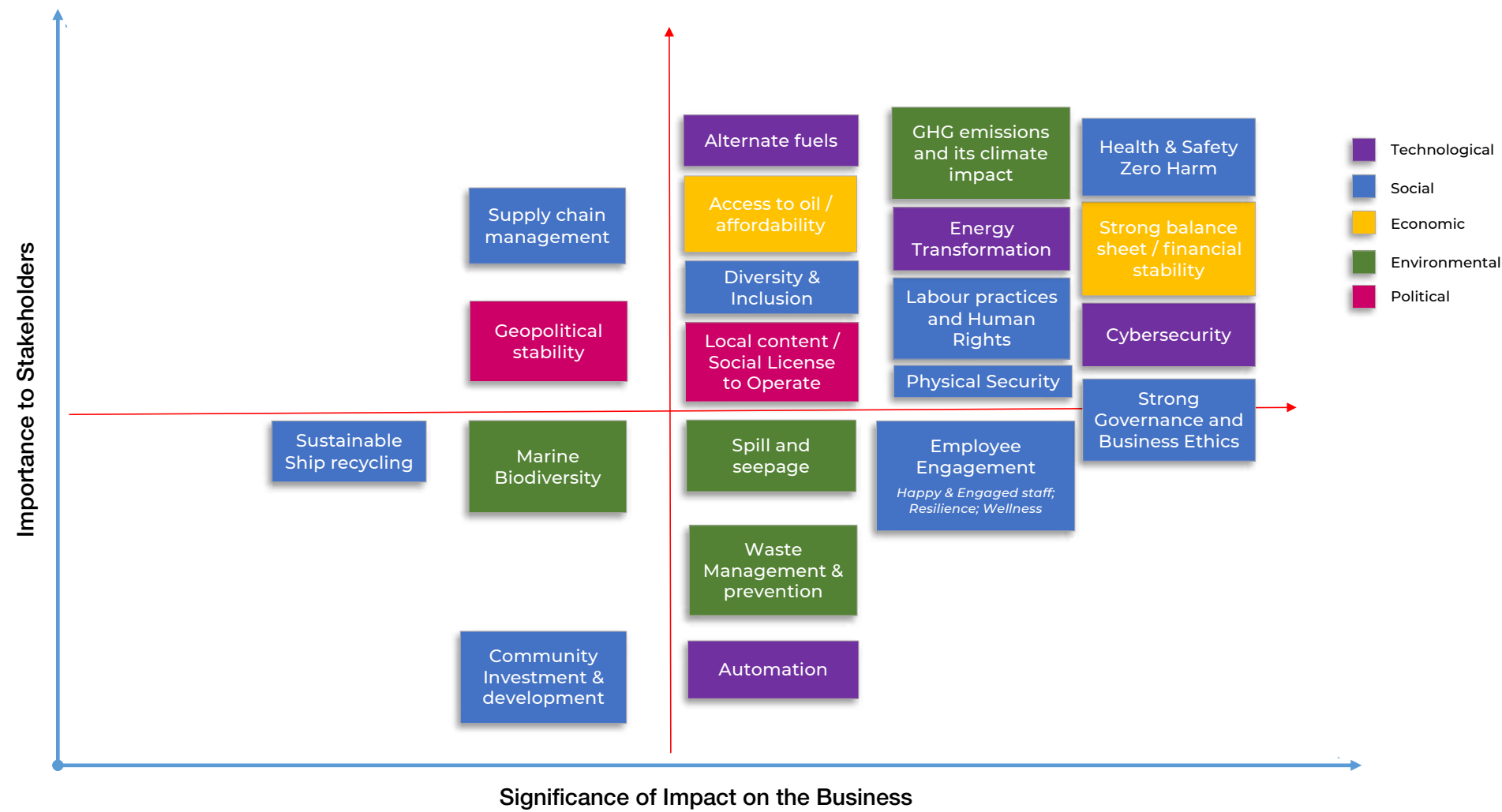
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Our Value Chain covers three main phases of our operations: a) building our vessels b) operating our vessels and c) transferring the ownership of the vessel at the end of its economic life for us, whether for onward trading or recycling. This may be termed a BOT (Build / Operate / Transfer) framework.

* Buying phase is omitted due to the negligible Value.

** Transfer phase mainly focuses on ship recycling when we demand continuing responsibility post completion of sale rather than sale for onward trading at which point our liabilities and opportunities to add / destroy value cease.

	Build issues*	Operate issues	Transfer issues**
Economic	Local economic development Ethical governance at ship building site	Employment creation Supply chain value and opportunities Facilitation of global economy and trade Global and local economic development Ethical governance	Local economic development Ethical governance at Ship Recycling Facility (SRF) site Monitoring cost of sustainable ship recycling
Environmental	Drive demand for improved standards in the industry Positive step change in reducing environmental footprint during design phase Better management of construction phase R&D / more environmentally-responsible features Influencing the demand for sustainable products / services	Drive demand for improved standards in the industry Improved performance (alternative fuel, reduced emissions through operational efficiencies) during operations Reduced environmental impact / carbon footprint Reduced waste to land and sea Influencing the demand for sustainable products / services	Drive demand for improved standards in the industry Reduced environmental impact during recycling R&D / more environmentally-responsible options for reuse and recycling Influencing the demand for sustainable ship recycling
Social	Drive behavioural change and demand for improved standards in the industry Improved working conditions at ship building yards Improved H&S practices Improved human rights and labour practices Employment creation Improved social indicators and positive impact on overall well-being of workers	Drive behavioural change and demand for improved standards in the industry Improved working conditions Improved H&S practices Improved human rights and labour practices Employment creation and work opportunities Community development	Drive behavioural change and demand for improved standards in the industry Build capacity of SRF in India Improved working conditions at SRF Improved safety standards at SRF Improved human rights & labour practices Employment creation Improved social indicators and positive impact on overall well-being of workers

SPOTHRIVE

Swire Pacific Offshore has been in business since 1975.

Our business has stood the test of time because we have always looked ahead and made decisions based on long term sustainability.

We don't see our business as separate from the world. We depend on it, and wish to help shape it positively.

So when we build businesses, we seek to build communities. When we employ people, we help them to fulfil their potential. When we use resources, we seek to protect the environments that provide them.

The world in which we operate is facing some of the most pressing social and environmental challenges of our time. We are committed to being part of the solution.

*The Sustainable Development Goals (SDGs) is a set of 17 aspirational global goals to end poverty, protect the planet, and ensure prosperity for all.

For more information please visit: <https://sustainabledevelopment.un.org>

Because when the world in which we operate thrives, so do we.

Thriving People

We will respect and care for our employees and other stakeholders, unlocking the potential for all of us to grow by:

- Safeguarding the health and safety of all our employees and stakeholders by driving sustained safety excellence;
- Adopting a diverse and inclusive approach to securing the best talent;
- Improving our corporate governance to reflect our stakeholders' interests;
- Respecting the human rights of all of our employees and other stakeholders.

Relevant SDGs



Thriving Environment

We will help create a resilient environment that provides for our future by:

- Pursuing a long-term goal of decarbonisation and optimising energy efficiency;
- Turning today's waste into tomorrow's resource;
- Using natural resources and systems responsibly and sustainably;
- Protecting and, where viable, enhancing the biodiversity of environments that our operations impact.

Relevant SDGs





Thriving Communities



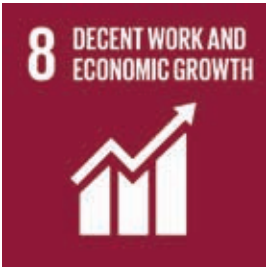
We will work with communities wherever we operate to improve people's lives by:




- Connecting with and empowering the local communities that we touch;
- Strengthening our supply chain through responsible and ethical sourcing of services and materials;
- Offering services to enable our stakeholders to live more sustainably.




Relevant SDGs



Relevant SDG Goals	Links to SPOTHRIVE Strategy	Relevant SPO's Material Issues	Relevance to SPO's operations / Progress over 2019 calendar year
	<p>Safeguarding the health and safety of all our employees and stakeholders by driving sustained safety excellence.</p>	<p>Health and Safety / Zero Harm</p> <p>Physical Security</p>	<p>See progress in the “Safety”, “Our People”, “Our Environment” and “Our Communities” sections of the SD Report.</p> <p><i>Areas covered:</i></p> <ul style="list-style-type: none"> • Health and Safety Policies and standards / Labour practices / Employee welfare and benefits / D&A Policy • <i>Get Home Safe</i> campaign, safety training, employee wellness committee • Environmental Policies and procedures to ensure No Harm to the environment and communities • Waste disposal and responsible ship recycling in line with international conventions - improved social standards • Seafarers Drop-in Medical Centres in Tacloban and Bantayan • Continued Investment in people, training, Health and Safety, Long Service Awards and recognition programmes
	<p>Adopting a diverse and inclusive approach to securing the best talent.</p> <p>Respecting the human rights of all of our employees and other stakeholders.</p>	<p>Labour Practices and Human Rights</p> <p>Diversity & Inclusion</p>	<p>See “Our People” section of the report.</p> <p><i>Areas covered:</i></p> <ul style="list-style-type: none"> • EODIR Standard Operating Procedure in place • Use of gender inclusive language • Gender neutral employee attraction and retention policies and procedures • Equality in pay structures and rewards • HRM practices supporting women in the workforce • Ensuring that funded activities benefit both genders • Leadership development programmes • Membership of Women's International Shipping & Trading Association (WISTA) Singapore chapter • Grievance mechanism • Members of the Swire Diversity & Inclusion Steering Committee (SDISC)

Relevant SDG Goals	Links to SPOTHRIVE Strategy	Relevant SPO's Material Issues	Relevance to SPO's operations / Progress over 2019 calendar year
	<p>Using natural resources and systems responsibly and sustainably.</p>	<p>Strong Governance and Business Ethics</p> <p>GHG emissions and its climate impact</p>	<p>See “Our Environment” and “Our Communities” sections of the report.</p> <p><i>Areas covered:</i></p> <ul style="list-style-type: none"> • Environmental protection of water catchment areas and water resources (Ship recycling and Community projects: Partnership with ESI and Corporate Volunteering events) • Environmental Policy / EMM / ISO 14001:2015 certification • Water treatment and water production on vessels and waste recycling practices • Safe ship recycling practices minimising release of hazardous chemicals into the water • Protection of wetlands and waterways clean up (CP projects), mangroves (Partnership with ESI), forests (SPO's Paraguay project and partnership with ESI)
	<p>Pursuing a long-term goal of decarbonisation and optimising energy efficiency.</p>	<p>Alternate Fuels</p> <p>Energy Transformation</p>	<p>See “Our Environment” section of the report.</p> <p><i>Areas covered:</i></p> <ul style="list-style-type: none"> • Decarbonisation through low carbon technologies and minimising use of fossil fuels / R&D into alternative energy sources • Energy efficiencies (Clean or Clean Design) for owned vessels • Eco-Office / green office practices • R&D - <i>Project Hafnium</i>
	<p>Adopting a diverse and inclusive approach to securing the best talent.</p> <p>Respecting the human rights of all of our employees and other stakeholders.</p> <p>Strengthening our supply chain through responsible and ethical sourcing of services and materials.</p>	<p>Labour Practices and Human Rights</p> <p>Local Content / Social License to Operate</p> <p>Diversity & Inclusion</p>	<p>See “Our People” and “Safety” sections of the report.</p> <p><i>Areas covered:</i></p> <ul style="list-style-type: none"> • Inclusive labour practices across all countries of operation • Good and safe working conditions • Equal pay for work of equal value • Sound labour rights incorporated into organisational policies and procedures (HR and SPSM Contracts and Manuals) • Human rights impact assessments (when required) • Equal opportunities and respect in the work place (EODIR Standard Operating Procedure) • H&S standards • Modern Day Slavery assessments and training • Supply Chain Sustainability self-assessments / audits

Relevant SDG Goals	Links to SPOTHRIVE Strategy	Relevant SPO's Material Issues	Relevance to SPO's operations / Progress over 2019 calendar year
	<p>Adopting a diverse and inclusive approach to securing the best talent;</p> <p>Respecting the human rights of all of our employees and other stakeholders.</p>	<p>Labour Practices and Human Rights</p> <p>Diversity & Inclusion</p> <p>Local content / Social License to Operate</p>	<p>See “Our People” and “Governance” sections of the report.</p> <p><i>Areas covered:</i></p> <ul style="list-style-type: none"> • EODIR Standard Operating Procedure and its enforcement ashore and at sea • Grievance mechanism • Social protection policies and minimum wage in line with National labour laws • Equality in pay structures and rewards • Local content hiring policies • Modern Day Slavery compliance
	<p>Turning today's waste into tomorrow's resource.</p> <p>Using natural resources and systems responsibly and sustainably.</p> <p>Strengthening our supply chain through responsible and ethical sourcing of services and materials.</p>	<p>Strong Governance and Business Ethics</p>	<p>See “Our Environment” section of the report.</p> <p><i>Areas covered:</i></p> <ul style="list-style-type: none"> • Environmental Management policies and practices • Hazardous materials management practices and disposal • Waste recycling practices • Reduction in SUP water bottles used on board vessels • Sustainable ship recycling practices (Recycled two vessels in the last three years with one more scheduled for 2020) • SD Policy, committees, working groups • Transparent SD reporting in accordance with GRI standards • Supply Chain Sustainability working group and CoC • Sustainable procurement practices and policies
	<p>Pursuing a long-term goal of decarbonisation and optimising energy efficiency.</p>	<p>Energy Transformation</p> <p>GHG Emissions and its climate Impact</p> <p>Alternate Fuels</p>	<p>See “Our Environment” section of the report.</p> <p><i>Areas covered:</i></p> <ul style="list-style-type: none"> • Reduction in GHG emissions from operations • Decarbonisation through low carbon technologies and minimising use of fossil fuels / R&D and into alternative energy sources (<i>Project Hafnium</i>) • Energy efficiencies (Clean or Clean Design) for owned vessels • Eco-Office / green office practices • Carbon neutrality through REDD+ project in Paraguay and carbon credits offset • Use of FUELTRAX (marine fuel management solution)

Relevant SDG Goals	Links to SPOTHRIVE Strategy	Relevant SPO's Material Issues	Relevance to SPO's operations / Progress over 2019 calendar year
	Protecting and, where viable, enhancing the biodiversity of environments that our operations impact.	Zero Harm	<p>See “Our Environment” and “Our Communities” sections of the report.</p> <p><i>Areas covered:</i></p> <ul style="list-style-type: none"> • Going beyond legislative compliance • Zero Harm policies / Investment in clean and green technologies • Green guidelines • Corporate philanthropic investments (ESI, REDD+, employee education and volunteering) • Working with NGOs on environmental conservation and biodiversity related projects
	Improving our corporate governance to reflect our stakeholders' interests.	<p>Strong Governance and Business Ethics</p> <p>Cybersecurity</p> <p>SPO's strong Balance Sheet / Financial Stability</p>	<p>See “Governance” and “Our People” sections of the report.</p> <p><i>Areas covered:</i></p> <ul style="list-style-type: none"> • Corporate Code of Conduct and training • Corporate Governance Manual • Internal audits across the group • Whistleblowing Policies / Third-party due diligence • Anti-trust Policies / Sanctions • Procurement practices and guidelines / Supply Chain Sustainability Code of Conduct • Anti-bribery training for employees • Privacy policies, procedures and training • Cybersecurity policies and training
	<p>Connecting with and empowering the local communities that we touch.</p> <p>Offering services to enable our stakeholders to live more sustainably.</p>	<p>Energy Transformation</p> <p>GHG Emissions and its Climate Impact</p> <p>Alternate Fuels</p> <p>Local Content / Social License to operate</p>	<p>See “Our Communities” section of the report.</p> <p><i>Areas covered:</i></p> <ul style="list-style-type: none"> • Corporate philanthropic investments in our key stakeholder communities • Partnerships with universities and NGOs • Working with Governments in the areas of assistance required in LDCs where we operate • Engage in Public-private (<i>Project Hafnium</i>) and Civil Society partnerships for SD

Employment Data: Shore-based Employees

Number of Employees

By employment contract and region

Country / Region	Permanent	Temporary
Angola	4	
Australia	12	2
Azerbaijan	1	
Brazil	2	
Brunei Darussalam	3	
Cameroon	5	
Denmark	38	2
Equatorial Guinea	4	
Ghana	10	
Indonesia	9	
Malaysia	1	
New Zealand	6	
Norway	59	1
Philippines	54	1
Qatar	3	
Russian Federation	1	
Singapore	210	19
Taiwan region	1	
United Arab Emirates	36	8
United Kingdom	3	
United States	1	1
Grand Total	463	34
%	93%	7%



93% of our shore-based employees were employed on a permanent basis with the remaining 7% being on temporary contracts. 99% of our shore-based employees were on full-time employment contracts.

Shore-based Employees

New Hires during 2019 by Country / Region, Age Group and Gender Identity

Country / Region Age Group	Female	Male	TOTAL	New Hire Rate
Australia	2	1	3	
< 30	1		1	
> 50	1		1	
30 to 50		1	1	
Denmark	4	7	11	
< 30	2		2	
> 50		1	1	
30 to 50	2	6	8	
Ghana		2	2	
30 to 50		2	2	
Indonesia	1		1	
< 30	1		1	
New Zealand	1		1	
> 50	1		1	
Norway	1	4	5	
30 to 50	1	4	5	
Philippines	5	2	7	
< 30	5	1	6	
30 to 50		1	1	
Singapore	28	21	49	
< 30	5	6	11	
> 50	3	1	4	
30 to 50	20	14	34	
Taiwan region	1		1	
30 to 50	1		1	
United Arab Emirates	7	2	9	
< 30	1		1	
30 to 50	6	2	8	
United States		1	1	
30 to 50		1	1	
Grand Total	50	40	90	

Country / Region	Rate
Australia	21%
Denmark	28%
Ghana	20%
Indonesia	11%
New Zealand	17%
Norway	8%
Philippines	13%
Singapore	21%
Taiwan region	100%
United Arab Emirates	20%
United States	50%
Overall	18%

Turnover by Country / Region, Age Group and Gender Identity

Country / Region Age Group	Female	Male	TOTAL	Turnover Rate
Australia	2		2	
< 30	1		1	
> 50	1		1	
Azerbaijan		1	1	
> 50		1	1	
Denmark	2	3	5	
> 50	1	1	2	
30 to 50	1	2	3	
Ghana		4	4	
30 to 50		4	4	
New Zealand	1	1	2	
> 50		1	1	
30 to 50	1		1	
Norway	2	5	7	
< 30	1		1	
> 50		1	1	
30 to 50	1	4	5	
Philippines	1	3	4	
< 30		2	2	
30 to 50	1	1	2	
Russian Federation		1	1	
> 50		1	1	
Singapore	22	21	43	
< 30	6	3	9	
> 50	3	2	5	
30 to 50	13	16	29	
United Arab Emirates	2	1	3	
30 to 50	2	1	3	
Grand Total	32	40	72	

Country / Region	Rate
Australia	14%
Azerbaijan	100%
Denmark	13%
Ghana	40%
New Zealand	33%
Norway	12%
Philippines	7%
Russian Federation	100%
Singapore	19%
United Arab Emirates	7%
Overall	14%

Training



Average number of training hours for shore-based employees:

6.45
hours per person

Training hours by job level and gender identity for shore-based employees

	Total	Male	Female
Management			
No. trained	73	62	11
Training hours	1,184	1,001	183
Average no. of training hours per person	8.11	8.34	7.04

Support

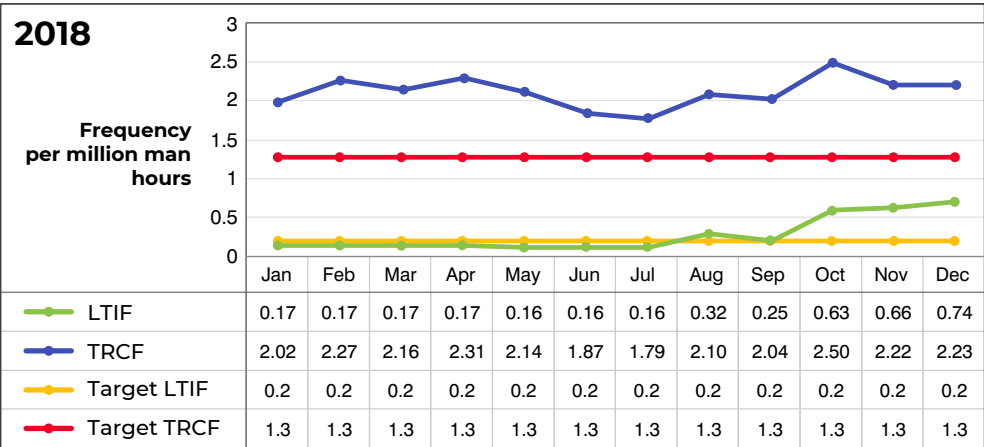
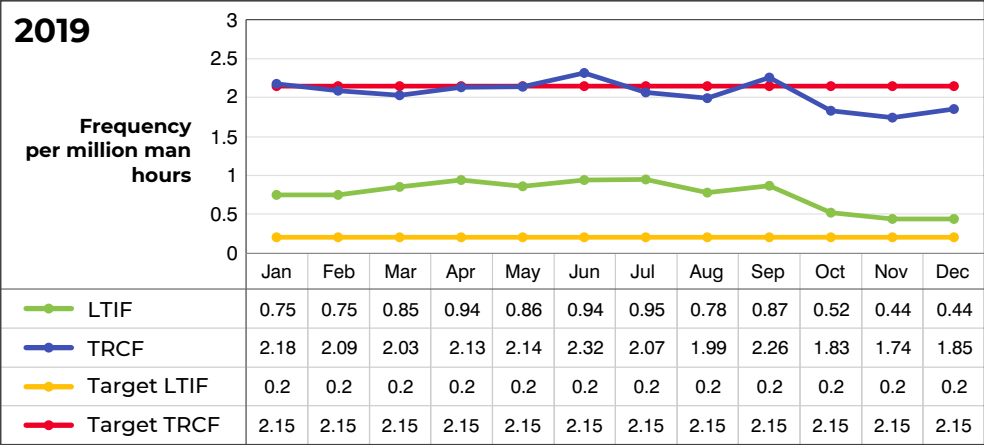
No. trained	124	49	75
Training hours	2,024	1,175	849
Average no. of training hours per person	5.77	8.39	4.03



Total number of training hours

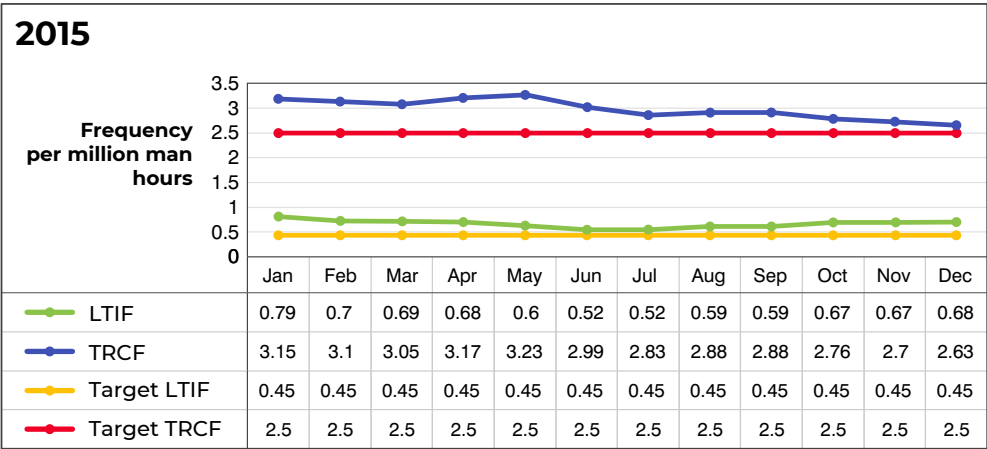
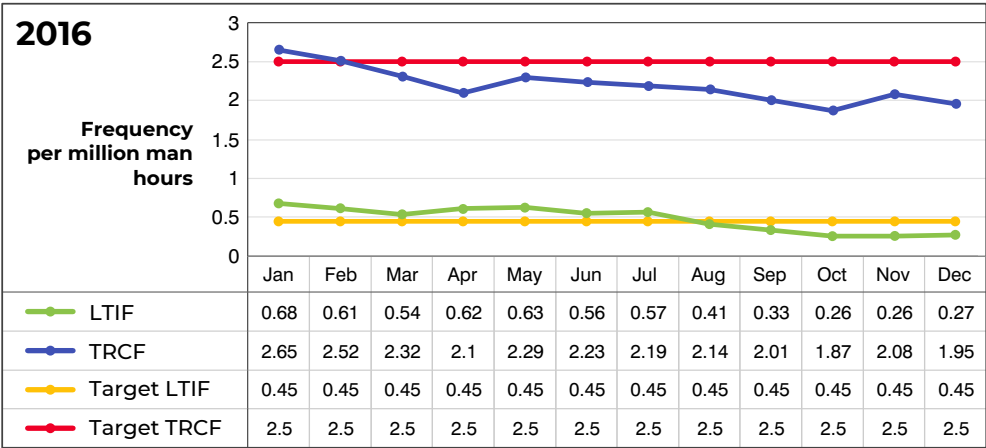
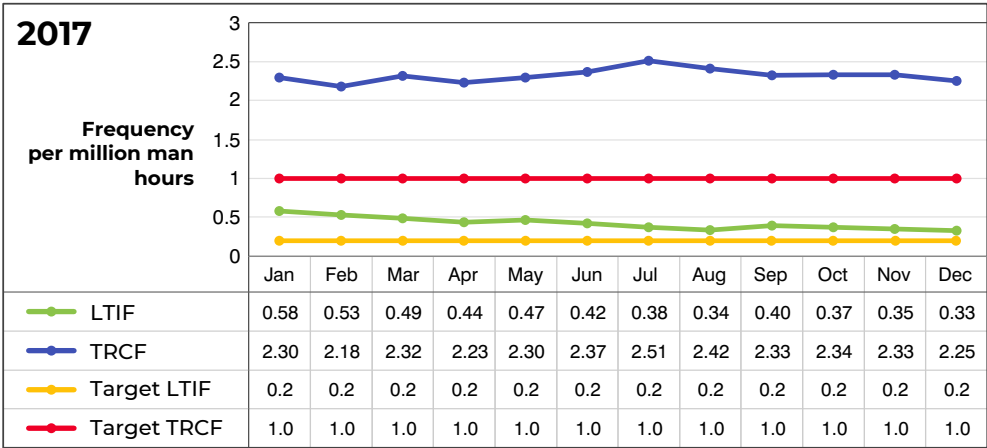
3,208
hours

12 Month Rolling Average LTIFR and TRCFR Against Target



In 2019 SPO published a Health, Safety and Environment (HSE) Annual Report which included analysis of recordable incidents from 2018; and devised a safety improvement plan from key findings.

12 Month Rolling Average LTIFR and TRCFR Against Target



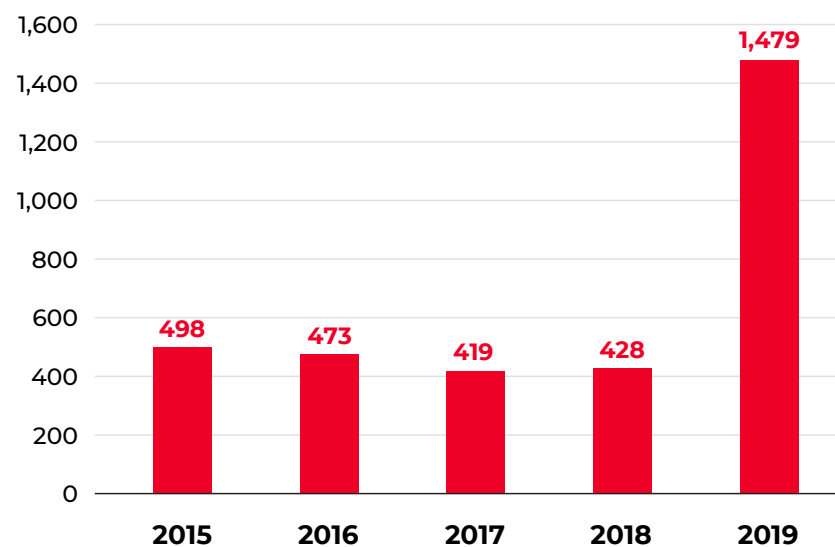
SPO tracks its Lost Time Injury Frequency Rate (LTIFR) and Total Reportable Case Frequency Rate (TRCFR) – generally per million manhours – as lagging indicators of our safety performance.

Historical Performance Indicators / Number of Near Miss and Hazard Reports

Historical Performance Indicators

Year	Manhours	LTIs	LTIFR (1 million man / hr)	LTIFR (200,000 man / hr)	LTI, MTC & RWC	TRCF (1 million man / hr)	TRCF (200,000 man / hr)
2015	12,813,103	9	0.70	0.14	35	2.73	0.55
2016	11,299,843	4	0.27	0.05	25	2.21	0.44
2017	11,924,418	4	0.34	0.07	27	2.26	0.45
2018	12,115,273	9	0.74	0.15	27	2.23	0.45
2019	11,381,310	5	0.44	0.09	21	1.85	0.37
Average Stats	11,906,789	6.20	0.50	0.10	27.00	2.26	0.45

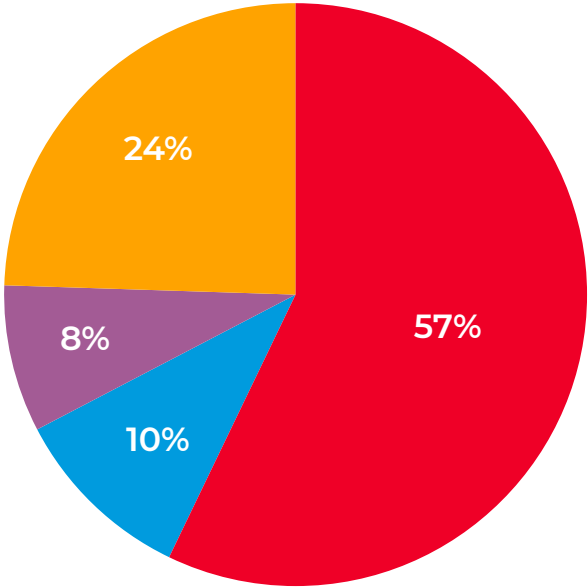
Number of Near Miss and Hazard Reports



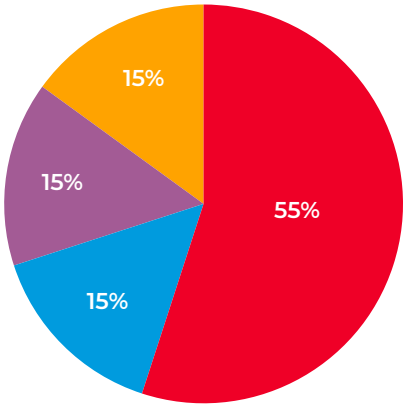
2017 onwards figures
include Swire Seabed

Total Number of Incidents by Category

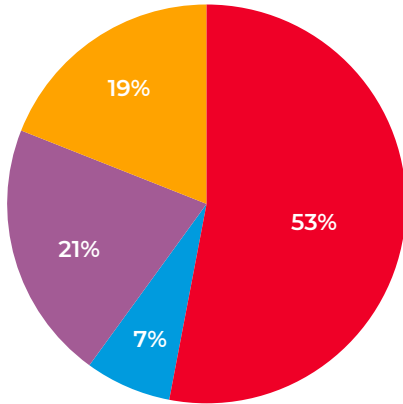
2019



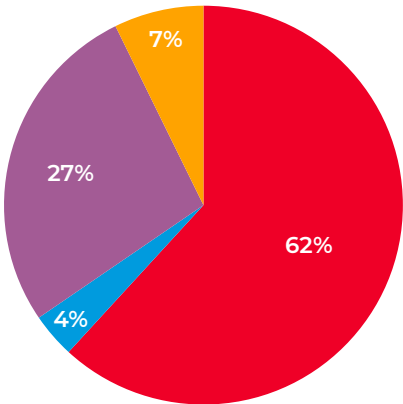
2018



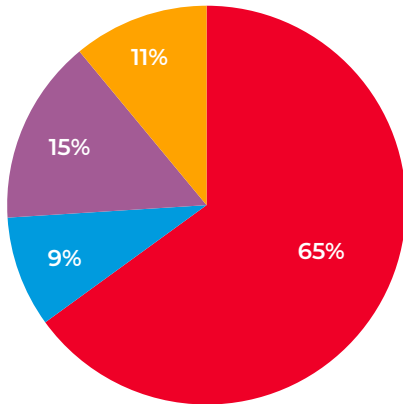
2017



2016



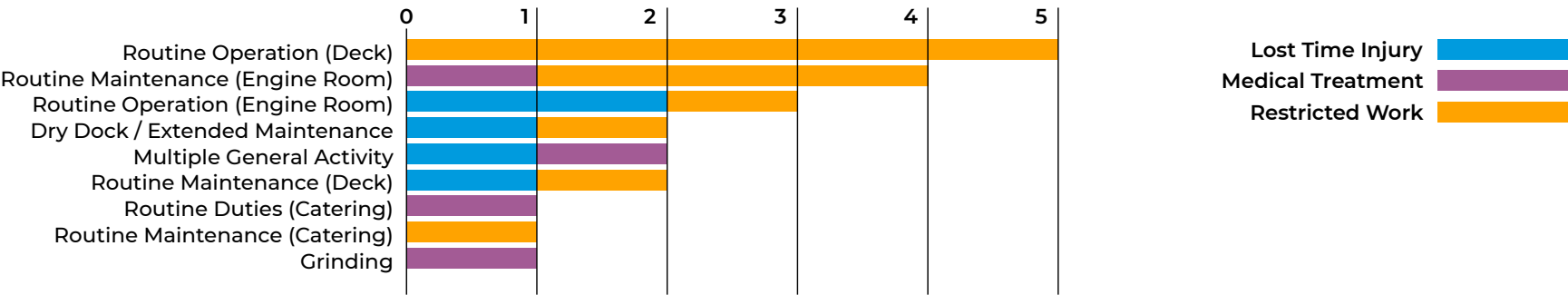
2015



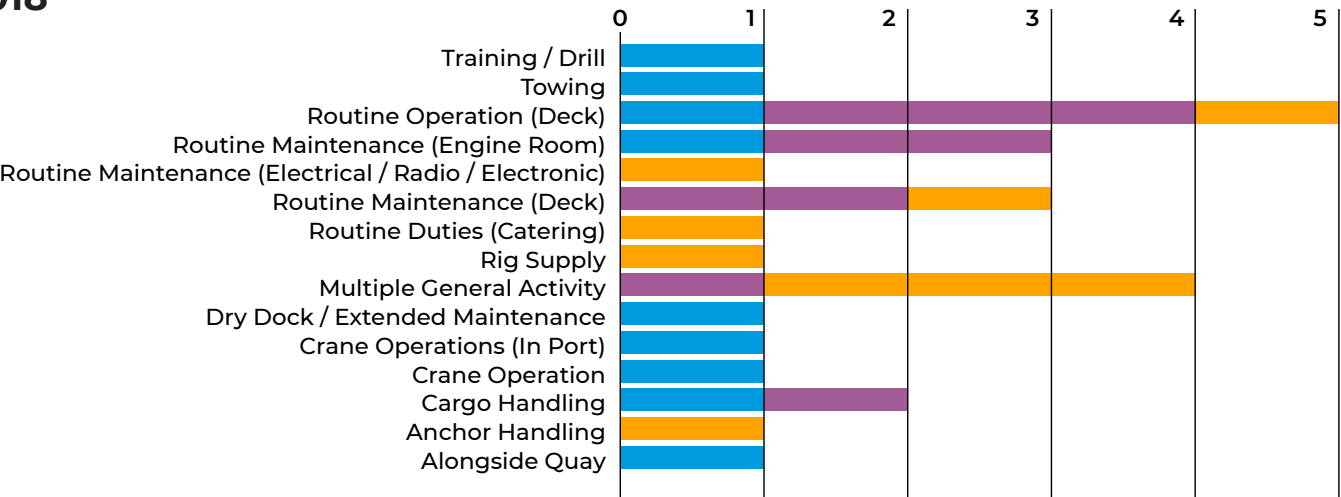
- Lost Time Injury
- Medical Treatment
- Restricted Work
- First Aid

Total Recordable Cases by Tasks Performed

2019

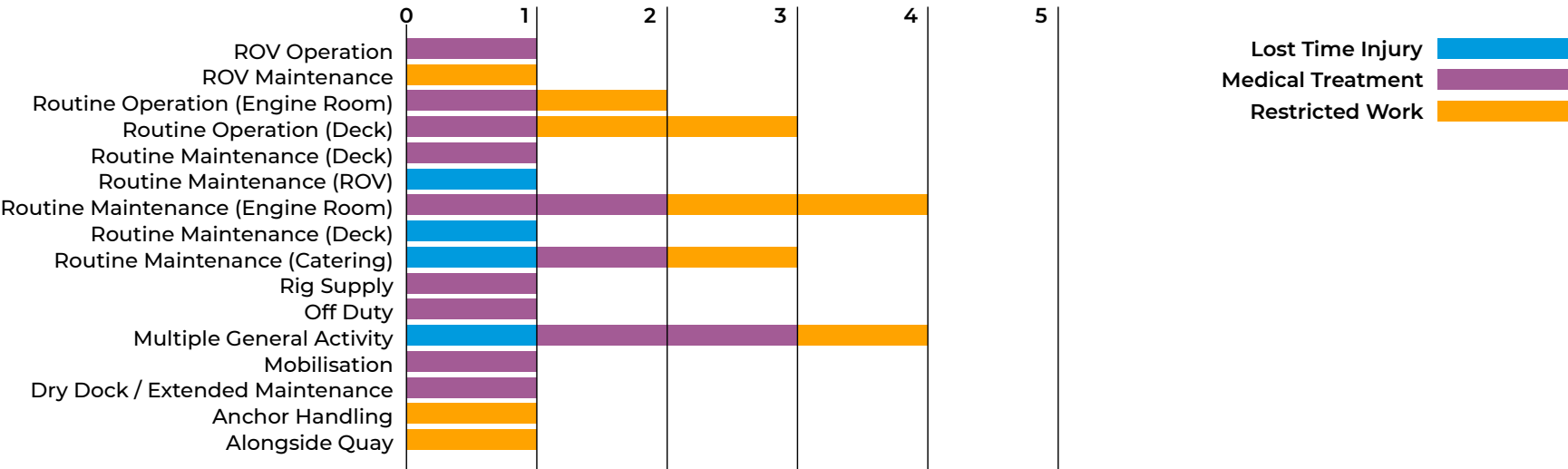


2018

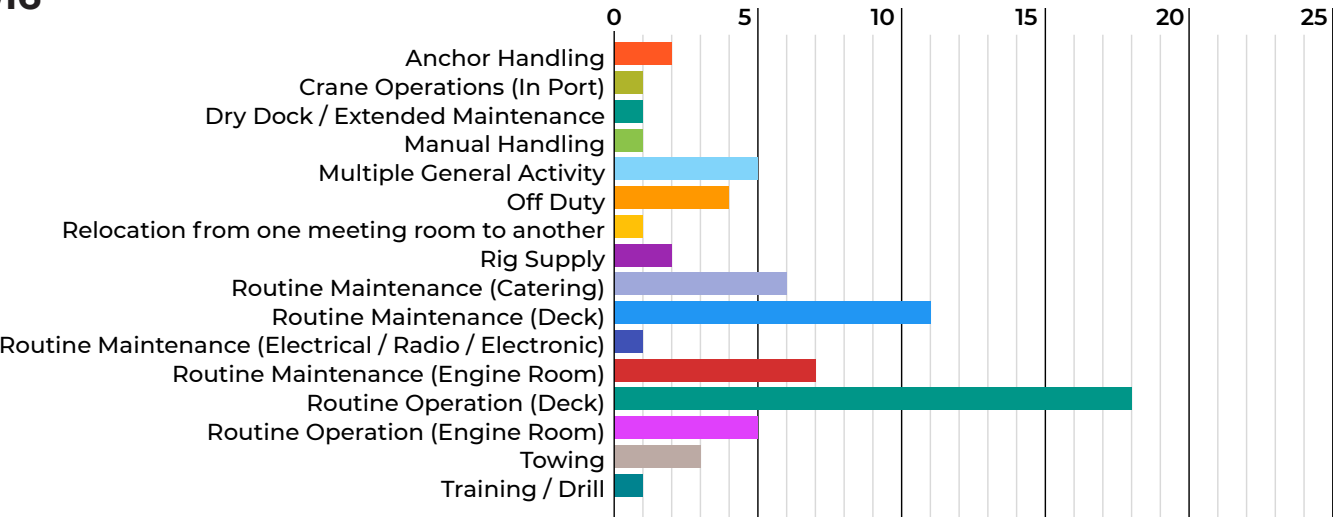


Total Recordable Cases by Tasks Performed

2017

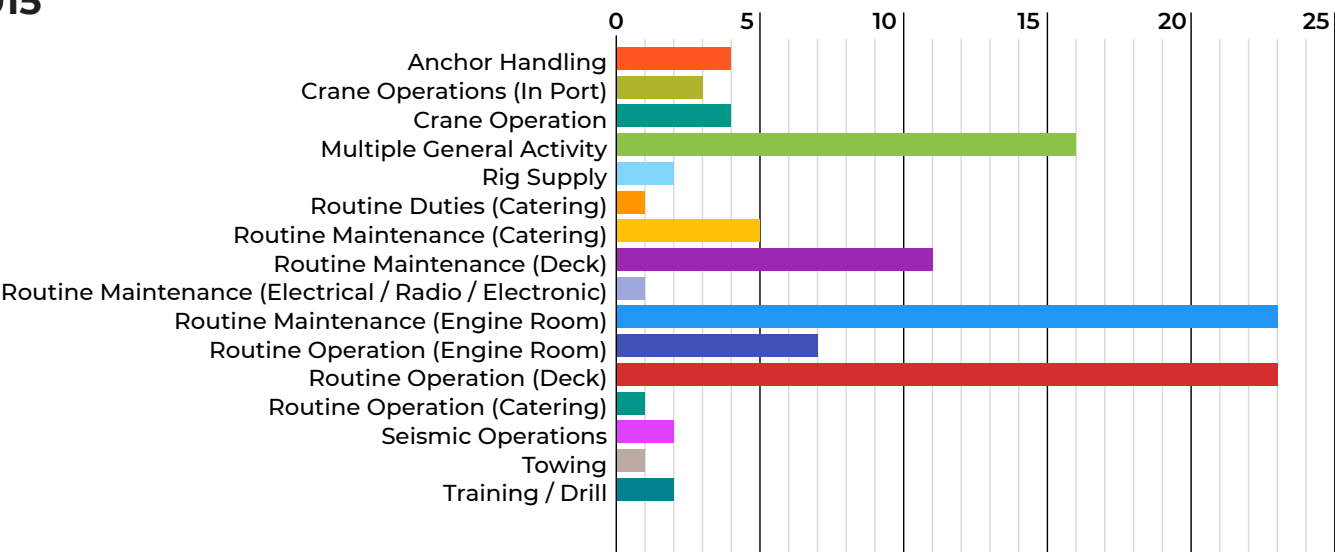


2016



Total Recordable Cases by Tasks Performed

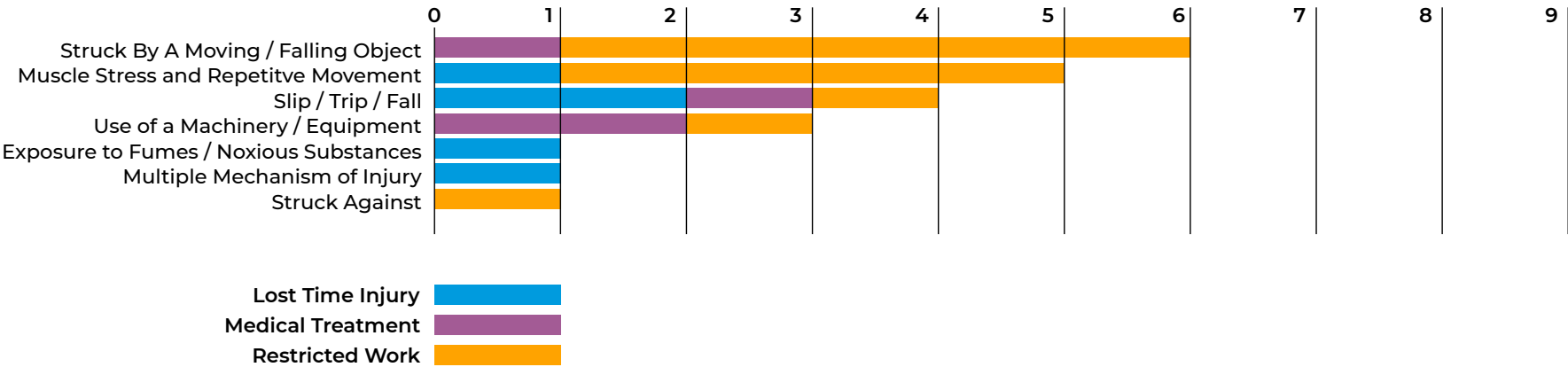
2015



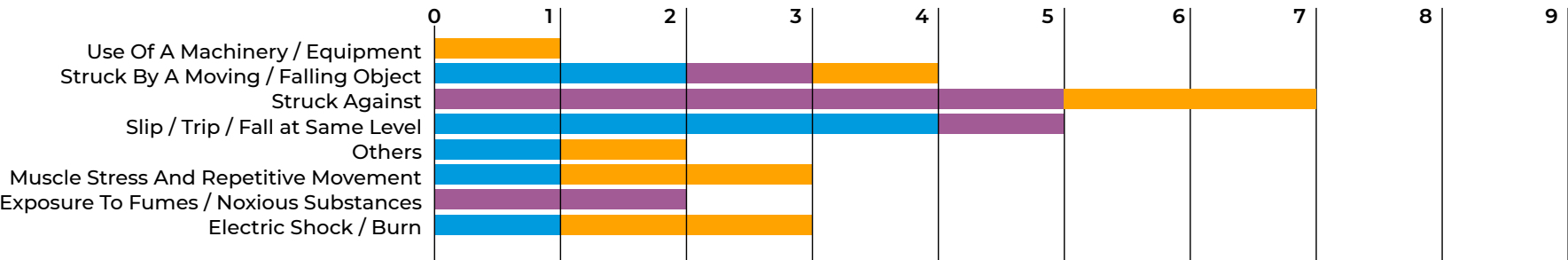
In 2019 SPO reviewed, updated and consolidated ISO and ISM internal audit checklists as per ISO 9001 and ISO 14001 requirements and the latest 2018 edition of the ISM Code.

Total Recordable Cases by Type of Accident

2019

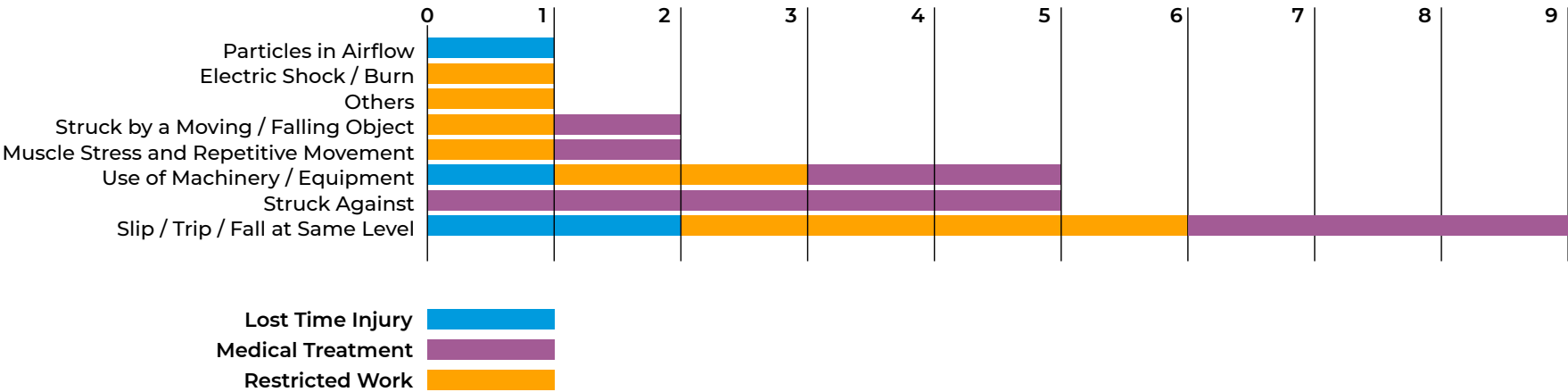


2018

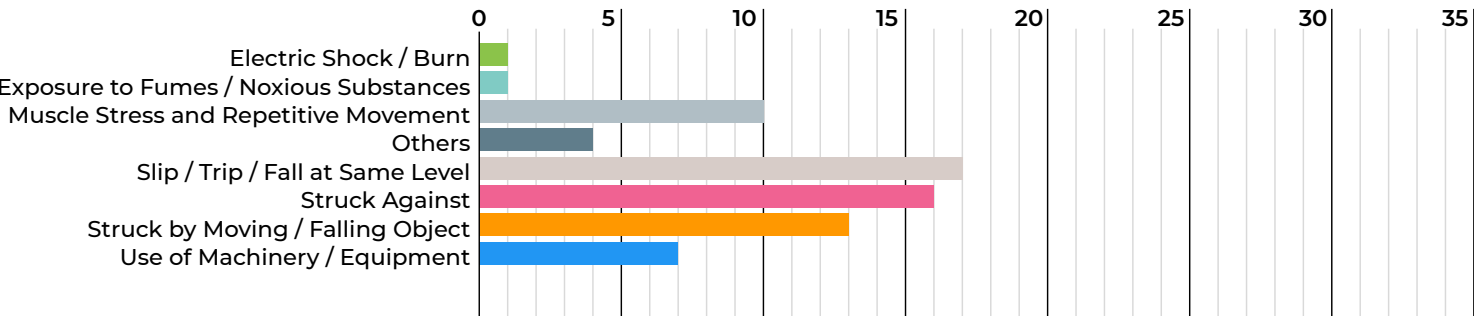


Total Recordable Cases by Type of Accident

2017

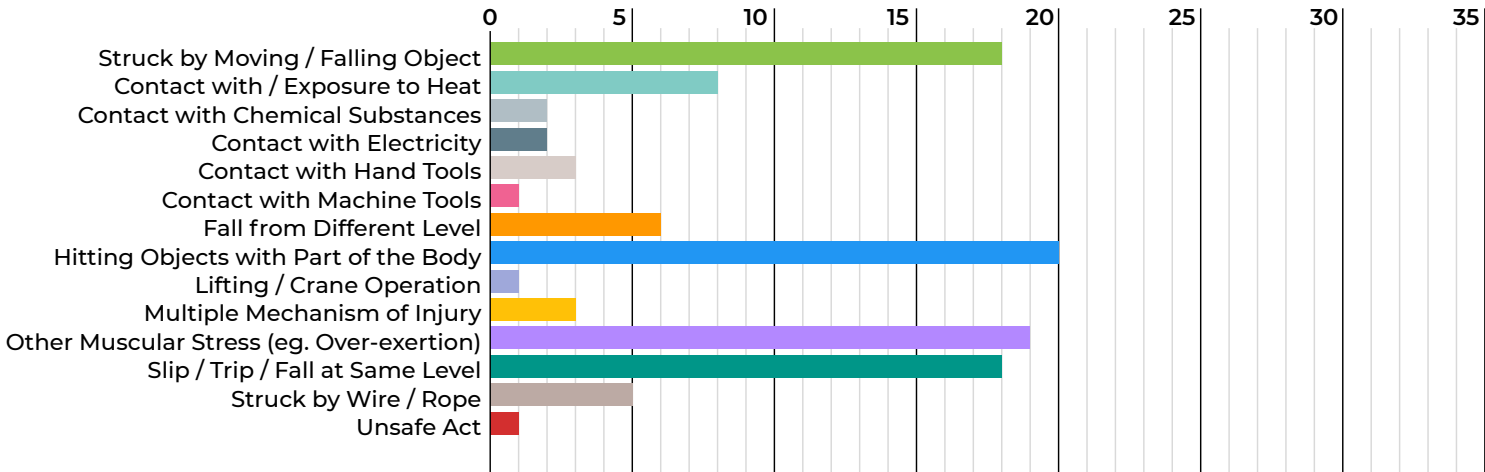


2016



Total Recordable Cases by Type of Accident

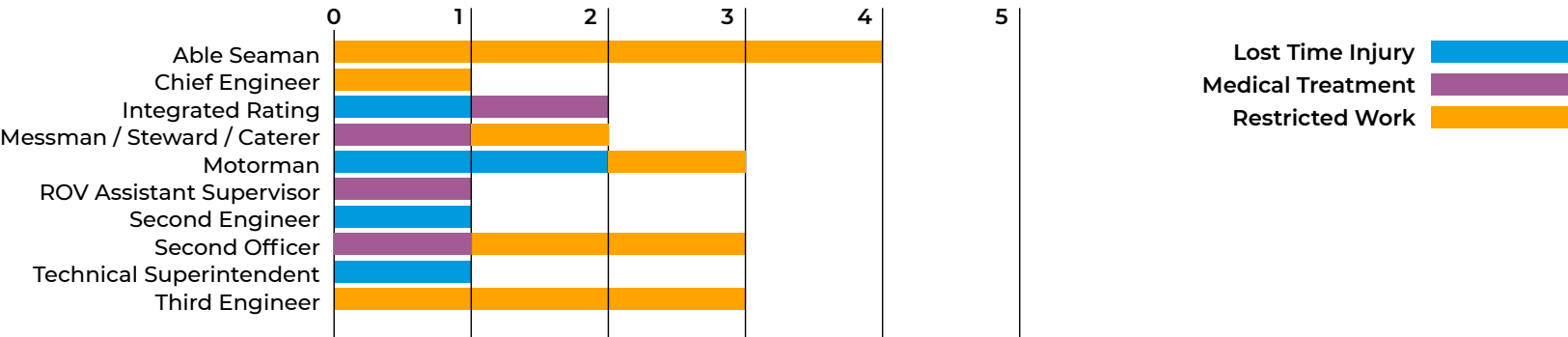
2015



SPO is committed to achieving its strategic objective of Zero Harm.

Total Recordable Cases by Rank

2019

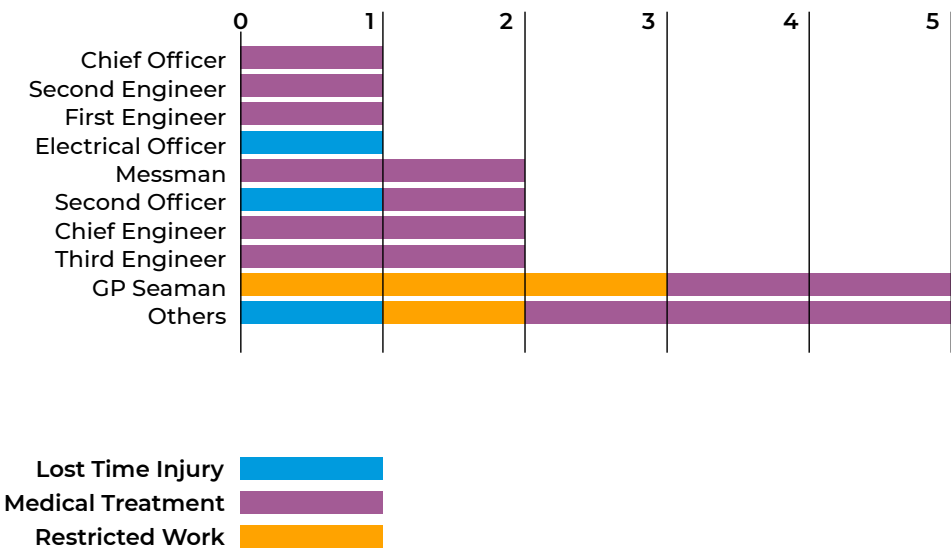


2018

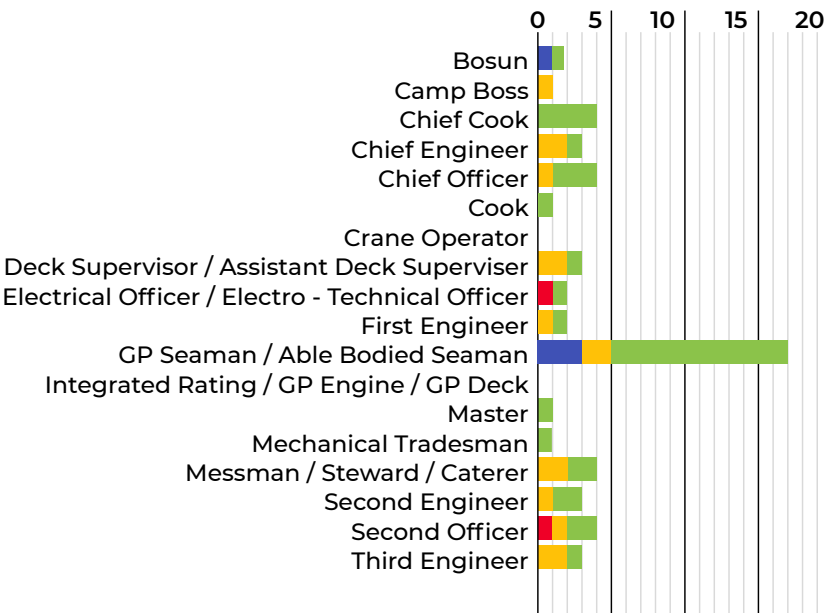


Total Recordable Cases by Rank

2017



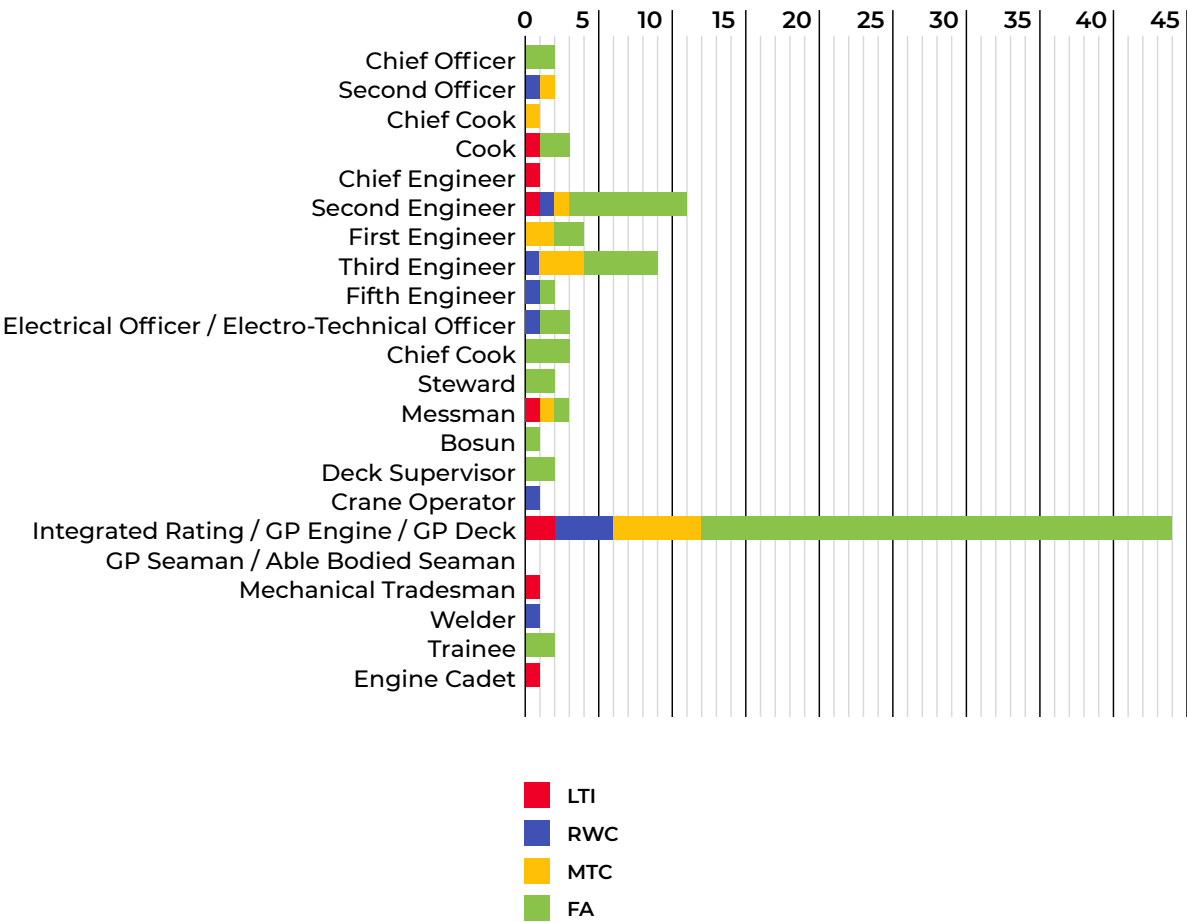
2016



LTI
RWC
MTC
FA

Total Recordable Cases by Rank

2015



Safety is at the core of everything we do. We continue to work towards achieving Zero Harm to our people and zero pollution incidents.

AMSA	Australian Marine Safety Authority
ASA	Australian Shipping Association
ASSM	Anscor Swire Ship Management (manning agency)
AVL	Approved Vendor List
BHP	Brake Horse Power
CAD	Competence and Assurance Department
CAR	Audit-driven Corrective Action Report
CARB	California Air Resources Board
CBA	Collective Bargaining Agreement
CoC	Corporate Code of Conduct
Cf.	Latin: confer / conferatur, both meaning 'compare'
CFC	Chlorofluorocarbon/s
CNCo	The China Navigation Company Pte Ltd
CCBA	Climate, Community and Biodiversity Alliance
CP	Corporate Philanthropy/pic
DCC	Australian government: Department of Climate Change
DECC	UK government: Department of Energy and Climate Change
DEFRA	UK government: Department for Environment, Food and Rural Affairs
DP	Dynamic Positioning
DPA	ISM Code: Designated Person Ashore
DPI	Deficiencies per Port State Inspection
E&P	Exploration and Production
ECA	Emission Control Area
EEOI	Energy Efficiency Operational Index
EPA	US government: Environmental Protection Agency
ESI	Endangered Species International
ETS	Emission Trading Scheme
FOE	Fleet Operational Efficiency
GEDO	Australian government DCC Greenhouse and Energy Data Officer
GHG	Greenhouse Gas/es
GJ (unit)	Giga-Joule, 1 billion joules of energy

GRI	Global Reporting Initiative
H₂	Hydrogen
HCFC	Hydrochlorofluorocarbon/s
HCV	High Conservation Value
HFO	Heavy Fuel Oil – a residual fossil fuel
HHV	Higher Heating Value, also known as gross calorific value, of a fuel is defined as the amount of heat released by combusting a specified quantity and returning the temperature of the combustion products to 150°C. LHV assumes all the water component is in liquid state at the end of combustion
HKC	Hong Kong Convention for Safe and Responsible Recycling of Ships (2009)
HOF	Head Office (in Singapore)
HSE	Health, Safety and the Environment
HSSE	Health, Safety, Security and the Environment
ICAO	Inter Civil Aviation Organisation
ICS	International Chamber of Shipping
IEA	International Energy Agency (UN)
IFO	Intermediate Fuel Oil - residual fuel. Usually 180 or 380 CST viscosity See http://intertek.ch/schwerol
IHM	Inventory of Hazardous Material, per the HK Ship Recycling Convention
ILO	(UN) International Labour Organisation
IMO	(UN) International Maritime Organisation
ISM	International Management Code for the Safe Operation of Ships and for Pollution Prevention, (International Safety Management (ISM) Code) as chapter XI of SOLAS
IUCN	International Union for Conservation of Nature and Natural Resources
KBA	Key Biodiversity Area
KPI	Key Performance Indicator
kWh (unit)	Kilo Watt hour, is a unit of energy equal to 1,000 Watt hours or 3.6 mega Joules
LHV	Lower Heating Value, also known as net calorific value, of a fuel is defined as the amount of heat released by combusting a specified quantity and returning the temperature of the combustion products to 150°C. LHV assumes all the water component is in vapour state at the end of combustion.

LO	Lubricating Oil
LTI	Lost Time Injury
LTIFR	Lost Time Injury Frequency Rate
MARPOL	IMO International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 and later
MCA	(UK) Maritime and Coastguard Agency
MDO	Marine Diesel Oil – a distillate fuel
MGO	Marine Gas Oil – a distillate fuel (higher fraction than MDO)
MHE	Material Hazardous to the Environment
MLC	ILO Maritime Labour Convention, 2006
MPA	Maritime and Port Authority of Singapore
MSA	Modern Slavery Act
MTC	Medical Treatment Case
NGER	Australian National Greenhouse Gas and Energy Reporting Act
NI	Nautical Institute
NO_x	Oxides of Nitrogen
OFW	Overseas Filipino Workers
OPEC	Organisation of Petroleum Exporting Countries
PEU	Performance Evaluation Reports
PM	Particulate Matter
PO	Purchase Order/s
POEA	Philippines Overseas Employment Agency
PSCI	Port State Inspection Compliance Index
PSI	Port State Inspection
QHSE	Quality, Health, Safety and Environment
REDD	Reduced Emissions from avoided Deforestation and forest Degradation
RFQ	Request For a Quote
RWC	Restricted Work Case
SD	Sustainable Development

SDG	Sustainable Development Goals
SECA	Sulphur Emission Control Area/s
SEEMP	Ship Energy Efficiency Management Plan
SIN	Singapore
SMS	Safety Management System
SMTC	Swire Marine Training Centre, located in Loyang, Singapore
SOLAS	IMO International Convention for the Safety of Life at Sea, 1974, as amended in 1980 and later
SO_x	Oxides of Sulphur
SPO	Swire Pacific Offshore group
SRF	Ship Recycling Facility
SSA	Singapore Shipping Association
STCW	IMO International Convention on Standards of Training, Certification and Watch-keeping for Seafarers, 1978, as amended in 1995 and later
TBT	Tributyl Tin (antifouling)
tCO₂	Tonnes of Carbon Dioxide
tCO₂e	Tonnes of Carbon Dioxide equivalent. This is CO ₂ plus the other four “natural” GHG of CH ₄ , N ₂ O and the “industrial GHG” of SF ₆ and Hydrofluorocarbons
TRCF	Total Recordable Case Frequency Rate
TRIP	Toolbox Risk Identification Permit
UKBA	(UK) Bribery Act (2010)
ULS	Ultra Low Sulphur content
UNFCCC	United Nations Framework Convention on Climate Change
VCS	Verified Carbon Standard
VOC	Volatile Organic Compound/s
WAF	West Africa
y-o-y	Year-on-year change
5S	“Seiri, Seiton, Seiso, Seiketsu, and Shitsuke” or “Sorting, Set in order, Systematic cleaning, Standardising, and Sustaining”

Self-declaration NEN-ISO 26000:2010

Corporate social responsibility

Undersigned, Mr Simon Bennett, General Manager, Sustainable Development at Swire Pacific Offshore Operations (Pte) Limited,

Declares that NEN-ISO 26000:2010, *Guidance on Social Responsibility* is applied for its global operations and has assessed and reviewed this using the process described in NPR 9026:2011.

The organisation declares that it applies the principles and guidance of NEN-ISO 26000:2010 and assures that this will be the case on a continuing basis. Within the framework of this self-declaration this will be assessed and reviewed at least annually.

Together with this self-declaration the organisation provides a justification and elaboration of the choices made with regard to its social responsibility in the following areas.

- 1. Subscribing to and applying the seven principles of SR.
- 2. Identifying and engaging stakeholders.
- 3. The seven SR core subjects and 37 SR issues.
- 4. Integration of SR throughout the organisation.

Name of organisation: Swire Pacific Offshore Operations (Pte) Limited

Location: Singapore

Street and building no.: 300 Beach Road, The Concourse, #15-01

Post code and town: Singapore 199555

Signature: Date and place:



_____ 1 January 2019 _____

GRI Standards Content Index

Disclosure level:		Core		General Disclosures 2019	
GRI Standard Number	GRI Disclosure Number	Disclosure Title	Reported	Cross-reference / Answers / Notes / Omissions	Report location: Page Number / URL
		General Disclosures			
		Organisational Profile			
GRI 102	102-1	Name of the organisation	Yes	Swire Pacific Offshore (SPO)	N/A
GRI 102	102-2	Activities, brands, products, and services	Yes	For description of activities please see the "Governance" section of the report. SPO does not provide any services that are banned in certain markets. Similarly SPO services are not the subject of stakeholder questions or public debate.	Page 12
GRI 102	102-3	Location of headquarters	Yes	SPO Head Office is in Singapore.	N/A
GRI 102	102-4	Location of operations	Yes	For description of countries of operations please see the "Governance" section of the report.	Pages 13 - 14
GRI 102	102-5	Ownership and legal form	Yes	SPO is part of the Swire Pacific group, publicly listed on Hong Kong stock exchange.	Page 12
GRI 102	102-6	Markets served	Yes	Please see the "Governance" section of the report.	Page 12
GRI 102	102-7	Scale of the organisation	Yes	Please see the "Governance" and "Our People" sections for the locations of employees / offices and number of employees. Please refer to the organisational boundaries diagram. All financial statements are confidential.	Pages 14, 17, 37 - 40
GRI 102	102-8	Information on employees and other workers	Yes	"Our People" section of the report: "Employee profile" and Annex titled: "Breakdown of shore-based employees by employment contract (permanent vs temporary), employment type (full-time vs part-time), employment level and age group". We consider our seagoing employees as our employees despite them being employed through manning agencies. Therefore all work is done by employees. There were no significant variations in employment numbers.	Pages 38, 46

GRI 102	102-9	Supply chain	Yes	<p>SPO is an end-user of equipment and consumables required for the operation and maintenance of its fleet of OSVs only. The Company does not produce or process materials for its own use or the use by others. As such, the vendor on-boarding process is designed to ensure the integrity and responsible approach of the suppliers we transact with. Any potential or existing suppliers with which we have concerns as to the nature of their business practices are blocked from use and, if applicable, inactivated from the Approved Vendor Listing. See "Supplier management" section of the report.</p> <p>SPO's supply chain is exclusively focused on providing the on-board requirements for its vessel fleet. The approach taken is that all vessel components and equipment are only approved for supply from reputable and internationally recognised manufacturers and suppliers (from vessel building stage and throughout the life of the asset). These, and Original Equipment Manufacturers, are thereafter the only sources used for fleet spares throughout the vessel's operating life, resulting, in general, in these being sourced either from Europe or SE Asia (principally Singapore). The transit supply chain model then employed for these, together with a large percentage of the required consumable products, being consolidated in supply hubs, one each in The Netherlands and in Singapore, for onward distribution to the vessels' operating locations.</p> <p>For certain consumable products, either local regulation or practicality and quality considerations determine that they are supplied from the local market. In these instances, provided that the required quality is maintained and supply is cost-effective, then the local-supply is the preferred option.</p>	Pages 31 - 32
GRI 102	102-10	Significant changes to the organisation and its supply chain	Yes	<p>In November 2019, SPO announced its decision to cease the operations and to close down its wholly owned subsidiary, Swire Seabed AS, and its three associated companies, namely Swire Seabed Subsea AS, Swire Seabed Shipping AS and Swire Seabed Sea AS. This change will take effect from the end of February 2020.</p> <p>The in-bound logistics / supply-chain in support of fleet activity remained essentially unchanged in 2019, in respect of materials sourcing, supply points and consolidation for destination delivery model. SPO did however enter an agreement with an international logistics management and freight handling / forwarding company during the year, which was effective from late Q4 where they assume full responsibility for performance and the efficiency and effectiveness of the supply-chain and the operation of the facilities, systems and controls required for this. Singapore and Rotterdam, Netherlands continue to be the consolidation and distribution hubs with additional secondary facilities being used when local fleet operations dictate.</p>	Page 17
GRI 102	102-11	Precautionary principle or approach	Yes	<p>SPO manages all risks that have the potential to impact our operations. We are measuring, monitoring and reporting our environmental impact and have a number of initiatives in place to reduce our greenhouse gas emissions and other negative environmental impact.</p> <p>The GM SD reports directly to the Managing Director, enabling the provision of sustainability input in the early stages of relevant strategic decisions together with upcoming movements in the regulatory area, nascent risks and opportunities and their potential impact on SPO's activities.</p> <p>See the "Our Environment" section for more details.</p>	Page 70

GRI 102	102-12	External initiatives	Yes	<ul style="list-style-type: none"> • Fair employment practices (TAFEP) Singapore since April 2013, voluntary • Hong Kong International Convention for the Safe and Environmental Sound Recycling of Ships (HKC) - global, voluntary since 2010 • IMEC – International Maritime Employers' Council (Director) • International Labour Organisation's (ILO) Maritime Labour Convention (MLC) since 2006 - global compliance, obligatory • IMO Standards of Training, Certification and Watchkeeping for Seafarers (STCW) Convention of 2010 - global compliance, obligatory • International Safety Management (ISM) Code - global compliance, obligatory • Sustainable Shipping Initiative • Ship Recycling Transparency Initiative • UK Modern Slavery Act 2015 (MSA) - global compliance, voluntary since 2016 • Australian Modern Slavery Act 2019 (MSA) - which came into force in January 2019 	N/A
GRI 102	102-13	Membership of associations	Yes	<ul style="list-style-type: none"> • British Chamber of Commerce (Singapore) • ISOA – International Support Vessel Owners' Association • IMCA – International Marine Contractor Association • ISU – International Salvage Union • RTP Asia – Nautical Institute Regional Training Providers' forum • Singapore Environmental Council (Director) • Singapore Shipping Association • World Ocean Council • WISTA (Singapore) 	N/A
Strategy					
GRI 102	102-14	Statement from senior decision-maker	Yes	See Managing Director's message.	Page 5
Ethics and Integrity					
GRI 102	102-16	Values, principles, standards, and norms of behaviour	Yes	<p>SPO's values, principles, standards and norms of behaviour are outlined in our Code of Conduct which is available on the Company's Intranet and website. The Code of Conduct is applicable to all employees ashore or at sea, and sets the highest standards of business ethics. SPO's values are covered under the Vision, Mission, Values and Strategic Objectives document developed by Senior Management and is updated from time to time. A copy is available on the website and on every vessel.</p> <p>SPO's values are included in the performance management framework: see the "Performance Management" section of the report.</p>	<p>Code of Conduct Page 20 http://bit.ly/2GADZ7g</p> <p>SPO's website: https://bit.ly/3aw7vz</p>

Governance					
GRI 102	102-18	Governance structure	Yes	<p>Sustainability is championed on the SPO ManCom (the highest level operational and strategy-setting body within SPO) by Simon Bennett, General Manager - Sustainable Development (GM SD) who brings to the role over 35 years' experience within the Company both offshore, and onshore in various offices and positions. The GM SD reports directly to the Managing Director (MD), enabling the provision of sustainability input in the early stages of relevant strategic decisions.</p> <p>SPO's Vision, Mission, Values and Strategic Objectives document was developed by Senior Management and updated in 2018. One of SPO's strategic objectives is to: "Manage our Business Sustainably". SD reports to the Board include strategic and operational sustainability issues. Sustainability reporting is also done to the parent Swire group on a quarterly and yearly basis and covers economic, environmental and social impacts.</p> <p>The interests of external stakeholders relating to SD are fed back to the SPO Executive team by the GM SD following stakeholder engagement events and feedback received through questionnaires or verbally. The "interests" include both risks and opportunities, and how we manage our economic, environmental and social impacts.</p> <p>SPO has the Designated Person Ashore (DPA) as legislated under the International Maritime Organisation (IMO) (the United Nations (UN) body with global authority over the international shipping industry) International Ship Management (ISM) Code. Any cases of governance and / or safety issues are directly reported to the MD through DPA. This ensures facilitation of safety at sea, prevention of human injury or loss of life, and avoidance of damage to the environment, in particular, to the marine environment, and to property.</p> <p>See the "Sustainable Development Structure" section of the report.</p>	Page 18
Stakeholder Engagement					
GRI 102	102-40	List of stakeholder groups	Yes	<p>Investors: Shareholders / JS&S Board / UK Head Office and other Swire group companies (Private and Public)</p> <p>Subsidiary Companies: as per the organisational boundaries chart</p> <p>Employees: seagoing employees, shore-based employees, senior executives / mid-level managers / managers / other</p> <p>Suppliers: Legal / HR / Auditors / MGO and LO suppliers</p> <p>Communities: Local key s/h communities / corporate philanthropic funds recipients</p> <p>Government and Regulators: Classification societies</p> <p>Shipping Industry actors: Peers / Ship Recycling Facilities</p>	N/A
GRI 102	102-41	Collective bargaining agreements	Yes	<p>9% of total employees are covered by Collective Bargaining or Enterprise Bargaining Agreements (SBO and SPSM Australia seagoing employees).</p> <p>Shore-based employees are not covered by collective bargaining agreements as they are subject to labour laws and conditions in jurisdictions where SPO operates.</p>	Page 51
GRI 102	102-42	Identifying and selecting stakeholders	Yes	<p>We define stakeholders as individuals or organisations that are directly or indirectly affected by SPO's business activities. Influence is determined by the level of involvement stakeholders have and impact is measured by their ability to bring out / affect change.</p> <p>Throughout 2018 and 2019, we engaged with shore-based and seagoing employees, customers, NGOs, regulators and other stakeholders within our industry.</p>	Pages 21 - 22

GRI 102	102-43	Approach to stakeholder engagement	Yes	<p>Materiality assessments were conducted as a follow up on the Sustainable Development presentations for shore-based and seagoing employees. Our stakeholder consultation programme covered office visits (employees and clients), officer and crews' fora (for seagoing employees), training programmes (seagoing employees and industry partners) at SPO's Marine Training Centre in Singapore and on board our vessels (seagoing employees), shore-based employee induction programmes and many other <i>ad hoc</i> events (media tours, presentations to clients etc.).</p> <p>Frequency of engagement varies from once a month to bi-monthly to once a quarter. The engagements are done specifically for the SD report as well as to inform us if there any other SD issues our employees feel strongly or have concerns about. Engagements are carried out in person and through the online structured questionnaires.</p> <p>See the "Stakeholder Engagement and Materiality" section of the report. We aim to run external engagement and consolidation of results once every three years.</p>	Pages 21 - 22, 117
GRI 102	102-44	Key topics and concerns raised	Yes	<p>Key issues of concern are stated under the "Stakeholder Engagement and Materiality" section of the report and the Materiality Matrix.</p> <p>The list of material issues is included in the GRI table and addressed through this SD report, focusing on the most material issues that SPO needs to address.</p>	Pages 21 - 22, 118
Reporting Practice					
GRI 102	102-45	Entities included in the consolidated financial statements	Yes	See the "Organisational Structure and Boundaries" section of the report	Page 17
GRI 102	102-46	Defining report content and topic boundaries	Yes	<p>Report content and topic boundaries has been amended to reflect the updated Materiality Matrix.</p> <p>Stakeholder consultation processes was used to determine the most material topics for business and defining this report content. Sustainability Context is defined by the ISO 26000:2010 as well as our Sustainable Development Strategy.</p> <p>Materiality was determined by the top risks and opportunities determined by internal and external stakeholders. Material topics were also identified through an independent scan for issues of concern to SPO's current business and peer group views to ensure we took a broader approach to what is important to our business. SPO's Senior Management also provided their input before the Matrix was formally signed off. Approach to stakeholder engagement is covered under 102 - 43.</p>	Pages 7, 118
GRI 102	102-47	List of material topics	Yes	<p>See "Materiality Matrix" Annex Material issues are assessed based on:</p> <ul style="list-style-type: none"> Significance of Impact on the Business - where SPO's performance could affect economic, environmental and social impacts Importance to Stakeholders - where SPO's performance on those issues could substantially influence the assessments and decisions of stakeholders 	Page 118
GRI 102	102-48	Restatements of information	Yes	There have been no restatements of data. However, some of the initiatives which started in prior years and continued during the reporting period are covered.	N/A

GRI 102	102-49	Changes in reporting	Yes	Organisational boundaries remained the same in 2019. SPO announced its decision to cease the operations and to close down its wholly-owned subsidiary, Swire Seabed AS in November 2019, which took effect in February 2020. Additionally Swire Blue Ocean (SBO) expanded its presence to the Taiwan region with the appointment of the representative based there.	Page 13
GRI 102	102-50	Reporting period	Yes	See the "Introduction" section of the report: January to December 2019.	Page 7
GRI 102	102-51	Date of most recent report	Yes	Sustainability report for 2018 calendar year.	N/A
GRI 102	102-52	Reporting cycle	Yes	Annual	Page 7
GRI 102	102-53	Contact point for questions regarding the report	Yes	Contact section of the report. General Manager - Sustainable Development is the key contact.	Page 164
GRI 102	102-54	Claims of reporting in accordance with the GRI Standards	Yes	Report for the year 2019 has been prepared in accordance with the Global Reporting Initiative's GRI Standards: Core option.	Page 7
GRI 102	102-55	GRI content index	Yes	This table.	Pages 145 - 163
GRI 102	102-56	External assurance	Yes	SPO has been seeking external assurance for Sustainability Reports since 2010. We believe that to be clear and transparent is critical to our success in communicating with our stakeholders. The external assurance of our SD report validates any statements or claims we make. The assurance statement is published with the report following the assurance process.	To be included

Material Topics					
Health and Safety / Zero Harm					
GRI 103	103-1 103-2 103-3	<ul style="list-style-type: none"> - Explanation of the material topic and its boundary - The management approach and its components - Evaluation of the management approach 	Yes	<p>Safety is at the core of everything we do. The health, safety, security and well-being of our people are paramount and SPO is committed to achieving its ultimate goal of Zero Harm. Our strong focus on people and training are key factors that underpin our commitment to safety and quality. We measure it in terms of leading indicators, customer feedback and lost days from incidents, and address through Safety Management Systems and training.</p> <p>See the "Safety" section of the report on our approach / policies and statistics.</p> <p>Shore-based safety and well-being is managed by Human Resources and committees formed to oversee H&S issues within particular offices. One representative from each department must attend quarterly meetings. This is an opportunity to raise any concerns employees have and the committee is responsible for recording and addressing all identified issues. The risk for our H&S onshore operations is low, making it not a material issue.</p> <p>SPO has a whistleblowing procedure in place to report any issues that may negatively affect health, safety or environment. This can be an entirely confidential process.</p>	<p>SPO Health and Safety Policy http://bit.ly/332JSUm</p> <p>Page 63</p>
GRI 403	403-1	Occupational health and safety management system	Yes	<p>The International Safety Management (ISM) Code is the international standard for the safe management and operation of ships and for pollution prevention. Full compliance with the ISM Code is required in order to operate under the flag registry, and is indicated by the issue of a Document of Compliance (DoC). We have in place a Safety Management Manual (SMM) to guide our daily operations.</p> <p>We have a dedicated Health, Safety & Environment (HSE) department in the SPO Head Office in Singapore with regional Health and Safety Managers in all major geographic locations responsible for managing safety across SPO group.</p> <p>Continual improvement is an on-going process and is driven by the HSE Department in Singapore. It is achieved by recording, trending and analysing leading and lagging indicators, conducting internal audit, management visits, officer and crew forums, workshops, formal review and external audit (on an annual basis) of the SMM. Safety review meetings are conducted on a weekly basis with the MD chairing a safety committee meeting every month. We report annually on all our continual improvement journey detailing all safety incentives and enhancement projects undertaken during the course of the reporting period. For more information please see "Safety" section of the report.</p> <p>Recognised standards / guidelines for occupational health and safety management system followed are:</p> <ul style="list-style-type: none"> - International Convention for the Safety of Life at Sea, 1974, as amended Chapter IX – Management for the safe operation of ships. - Resolution A.741 (18) International Management Code for the Safe Operation of Ships and for Pollution Prevention (International Safety Management (ISM) Code). - Adopted OSHA Injury and Illness Recordkeeping and Reporting Requirements (Safety Management Manual (SMM) section 9.0). - All occupational Health and Safety professionals are employed by the Company; the Global Head, HSE & HSE Manager (in Head Office) are formally qualified. 	Page 66

GRI 403	403-2	Hazard identification, risk assessment, and incident investigation	Yes	<p>High risk activities on board are identified and risks mitigated using the Permit-to-Work system on board. Every activity offshore undergoes a formal risk assessment in accordance with our Safety Management System before it is commenced. Part of the risk assessment then requires risk elimination, reduction, or mitigation measure to be taken. We have embedded and reinforced the "STOP Work Policy" which means any person on board, including non-employees, have the right and responsibility to STOP Work which they consider unsafe without fear of reprisal (as per the "STOP Work Policy"). The Company also advocates a 'fair just culture process' where persons are encouraged to report without reprisal.</p> <p>SPO reports Total Recordable and Lost Time Injury Frequency Rates, including work-related occupational disease in accordance with Oil & Gas Industry guidelines. Senior managers meet on a monthly basis to review safety performance and propose safety improvements.</p> <p>Work-related hazards and hazardous situations are identified and reported under Safety Observations and Hazard Identification in the Company's business information management system - ORBIS, in compliance with SMM section 9.3. Similarly risks are assessed in accordance with Company Risk Assessment and Hazard Register – Part A which requires assessment of risk for all workplace activity. In addition, high risk activities are further mitigated using the Permit-to-Work system on board.</p> <p>As per SMM section 9.7 and Manual for Accident / Incident and High Potential Near Miss Investigations, all work-related incidents, including high potential near misses are fully investigated by the Master on board and depending upon the actual and / or potential severity, by the regional office or Head Office. Lessons learned and actions to prevent reoccurrence are promulgated to the fleet and discussed during at vessel on board safety meetings. All work-related incidents are reviewed at weekly HSE and monthly safety committee meetings.</p>	Pages 68 - 69
GRI 403	403-3	Occupational health services	Yes	<p>The Company provides care for all seagoing and shore-based employees whose workplace is controlled by the organisation.</p> <p>Occupational health services are provided at all company locations; provision of occupational health services are also provided to seafarers when the vessel(s) are in port. The Company subscribes to a 24/7 Crisis Response Network helpline available for seafarers.</p>	N/A
GRI 403	403-4	Worker participation, consultation, and communication on occupational health and safety	Yes	<p>Participation and consultation on occupational health and safety (H&S) matters on board is achieved by conducting monthly HSE meetings. Similarly, occupational health and safety matters are discussed in all Company offices including regional and Head Office by way of a safety committee which convenes on a quarterly basis.</p> <p>For the offices, we hold quarterly H&S committees in SPO's Head Office and all other Outports comprised of representatives from all departments. One representative from each department has to attend H&S meetings. However, every employee is welcome to attend any relevant H&S meeting and speak if he / she has an issue that they wish to raise personally.</p>	N/A
GRI 403	403-5	Worker training on occupational health and safety	Yes	<p>The Company has a dedicated in-house Competence Assurance Department (CAD) responsible for identifying and planning training for Officers and crew on board; similarly Head Office HR have a talent team responsible for training employees ashore.</p> <p>In-house training is provided at the Company's accredited training facility Swire Marine Training Centre (SMTTC) and supplemented with on board coaching mentoring and support by our 'roving' Fleet Operations Superintendents and Cook Trainers. The Company also provides industrial and in-house training at accredited training facilities in Ghana and the Philippines.</p> <p>For details on in-house courses, please see the "Competence Assurance" and "Safety Training" sections of the report.</p>	Pages 53 - 57, 66 - 67

GRI 403	403-6	Promotion of worker health	Yes	<p>Access to non-occupational medical and healthcare services are provided through medical health insurance ashore and through Protection & Indemnity (P&I) insurance when working on board the vessels.</p> <p>Wellness training is provided by the Sailors' Society.</p> <p>Employee Welfare Committee (SPARK) organises events to promote healthy life styles. Events cover: bike rides, running and Pilates classes in our Singapore office.</p>	Page 58 - 60
GRI 403	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Yes	<p>All persons, including third party contractors and client personnel on board Company vessels are subject to the same health and safety requirements (SMM 3.42). All personnel are provided with a vessel induction and appropriately supervised throughout their stay on board. An occupational health hazard inventory is maintained for vessel operations.</p> <p>All seafarers, including non-employees, are subject to industry medical standards and are subject to a robust induction process which includes Company occupational health and safety requirements; similarly all shore-based employees and visitors are subject to an induction process.</p> <p>The Company maintains an occupational health hazard inventory for vessel operations.</p>	N/A
GRI 403	403-8	Workers covered by an occupational health and safety management system	Yes	<p>100% of SPO seagoing employees are covered by our Safety Management System (SMS). And as per the above, all persons, including third party contractors and client personnel on board Company vessels are subject to the same health and safety requirements.</p> <p>100% of all employees and non-employees who work on board Company vessels and / or offices are covered by the occupational health and safety management system.</p> <p>100% of Company vessels and offices are subject to annual internal audit.</p> <p>100% of Company vessels are audited and certified by an external party; Head Office and three (of eight) sample regional offices are subject to annual audit and certification in order to maintain the Company's Document of Compliance.</p> <p>No workers engaged on board Company vessels or at Company offices are excluded from disclosure.</p> <p>All incidents involving Company employees and non-employees working on board Company vessels and at Company offices are reported and fully investigated to identify actions to prevent a reoccurrence.</p>	N/A

GRI 403	403-9	Work-related injuries	Yes	<p>Company reports the following for all employees:</p> <ul style="list-style-type: none"> • Fatalities • Recordable work-related injuries including Lost Time Injuries, Restricted Work Cases and Medical Treatment Cases • Type of accident, nature and bodily location of injury • Number of hours worked (based on 24 hours on board and 8 hours per day in the office) are used to calculate incident frequency rates <p>Company reports the following for non-employees working on board Company vessels:</p> <ul style="list-style-type: none"> • Time, date, type and severity of injury, sequence of events leading to the incident, immediate actions taken and actions to prevent a reoccurrence <p>The Company does not classify non-employee injury but requires a copy of the investigation report from the injured parties employer.</p> <p>Incident frequency rates are based on 1,000,000 man-hours</p> <p>Third party employees working on board Company vessels and at Company offices are excluded from the disclosure.</p> <p>Company also submits annual incident statistics to the following industry organisations:</p> <ul style="list-style-type: none"> - International Maritime Contractors Association (IMCA) - International Support Vessel Owner Association (ISOA) - Marine Safety Forum <p>All relevant statistics are reported in the "Safety" section of the report and corresponding Annexes.</p> <p>SPO reports Total Recordable and Lost Time Injury Frequency Rates, including work-related occupational disease in accordance with Oil and Gas Industry guidelines.</p>	Pages 65, 68 - 69, 129 - 141
GRI 403	403-10	Work-related ill health	Yes	<p>Company records work-related ill health on board vessels via a Medical Treatment Advice (MTA); Company records work-related ill health in regional and Head Office by collating Doctors Medical Certificates (or equivalent).</p> <p>Work related health issues are analysed. Manning operations looks at non-work related cases.</p>	N/A
Strong Governance and Business Ethics					
GRI 103	103-1 103-2 103-3	<ul style="list-style-type: none"> - Explanation of the material topic and its boundary - The management approach and its components - Evaluation of the management approach 	Yes	<p>We have high standards of business ethics and corporate governance, including zero tolerance towards any corrupt practices. This includes curtailing the practice of facilitation payments, as well as conducting due diligence on the ethical record of transactional partners, including clients and suppliers. Our Corporate Code of Conduct is our main governance document and is a part of the Governance Manual which includes policies and procedures on how we conduct our operations.</p> <p>SPO's Internal Audit department conducts audits under Internal Audit Charter, reporting to the Audit Supervisory Committee. Swire group Internal Audit Department ("GIAD") formally audit all business units on a risk-based and rolling basis.</p> <p>SPO has a whistleblowing procedure in place to report any governance issues that may have a negative effect on SPO.</p> <p>See the "Fines and Grievances" subsection under the "Governance" section of the report for more information.</p> <p>Eleven issues were reported through this process during the reporting period and dealt with by the management.</p>	<p>Code of Conduct http://bit.ly/2GADZ7g</p> <p>Page 30</p>

GRI 205	205-1	Operations assessed for risks related to corruption	Yes	<p>SPO's Corporate Code of Conduct is a comprehensive governance document that sets out rules on how SPO employees must behave in the course of carrying out their duties. One of the areas covered by the Code is anti-corruption. The Code together with internal controls set a strong foundation to prevent any corruption-related incidents. The Company carries out anti-corruption / anti-bribery training and testing for employees within the group.</p> <p>All our business operations are assessed for risks related to corruption. Any incidents of potential or actual non-compliance are reported to SPO group Internal Audit Committee and investigated. The Company has zero tolerance towards corruption.</p> <p>For more information see the "Anti-corruption, Anti-trust and Monopoly Practices" sub-section of the "Governance" section of the report.</p>	Page 26
GRI 205	205-2	Communication and training about anti-corruption policies and procedures	Yes	<p>For more information see "Anti-corruption, Anti-trust and Monopoly Practices" sub-section of the "Governance" section of the report.</p> <p>Suppliers receive a copy of the Code of Conduct and the Supplier Code of Conduct which they have to acknowledge as part of the on-boarding process.</p>	Page 26
GRI 205	205-3	Confirmed incidents of corruption and actions taken	Yes	<p>There were two cases of potential breach of Corporate Code of Conduct with respect to Bribery, Corruption, Facilitation Payments etc. They were investigated and dealt with in line with SPO's policies and procedures.</p> <p>Case #1: resulted in dismissal and Case #2: no evidence of the breach was found and the employee was asked to refresh their understanding of the Corporate Code of Conduct.</p>	N/A
GRI 206	206-1	Legal actions for anti-competitive behaviour, antitrust, and monopoly practices	Yes	No legal actions for anti-competitive behaviour, anti-trust, and monopoly practices in 2019.	N/A
SPO's Strong Balance Sheet / Financial Stability					
GRI 103	103-1 103-2 103-3	<ul style="list-style-type: none"> - Explanation of the material topic and its boundary - The management approach and its components - Evaluation of the management approach 	Yes	Ability to generate revenue to cover operating costs, reduce debt, return capital to investors and make the necessary strategic capital investments to ensure long-term business success. Strong management of the balance sheet and cash flow to maintain trust from investors, business partners and employees. SPO is part of Swire Pacific Limited and has to deliver a return on shareholders investments. This has been particularly challenging during the industry downturn and many efforts were made to seek efficiencies and cut costs. See Managing Director's section for more information.	Page 6
GRI 201	201-2	Financial implications and other risks and opportunities due to climate change	Partial	See the "Climate-related Risks, Opportunities and Risk Management" section of the report.	Page 98

GHG Emissions and its Climate Impact / Alternate Fuels					
GRI 103	103-1 103-2 103-3	<ul style="list-style-type: none"> - Explanation of the material topic and its boundary - The management approach and its components - Evaluation of the management approach 	Yes	<p>Increasingly, countries are adopting regulation requiring companies to report emissions and pay for carbon, due to a growing global consensus on the need to address climate change and reduce emissions. This presents future costs to the business, as well as opportunities to innovate and expand into new sectors. SPO group committed to limiting our environmental impact and radically decarbonising our operations in 2008.</p> <p>See the "Our Environment" section of the report for more information.</p> <p>SPO has been proactively looking into investment with industry partners, to develop and scale alternatives to fossil fuels in a marine setting. This includes exploring biofuels, hydrogen fuel cells and solar in order to decarbonise the business, contribute to the Paris Agreement and prepare for future regulations and carbon taxes.</p> <p>See section on "Emission Reduction Strategy" and specifically <i>Project Hafnium</i>. No material issues were reported through this process during the reporting period.</p>	<p>Environmental Policy http://bit.ly/2Zmmj6C</p> <p>Pages 95, 101</p>
GRI 305	305-1	Direct (Scope 1) GHG emissions	Yes	<p>Please refer to the "Our Environment" section of the report.</p> <p>Gases included: CO₂, CH₄ and N₂O. Source of emission factors - DEFRA. "The GWPs used in the calculation of CO₂e are based on the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) over a 100-year period (this is a requirement for inventory / national reporting purposes)."</p>	Pages 89 - 90
GRI 305	305-2	Energy indirect (Scope 2) GHG emissions	Yes	Please refer to the "Our Environment" section of the report. Source of emission grid factors for electricity: International Energy Agency Emission Factors (2017).	Pages 89 - 90
GRI 305	305-3	Other indirect (Scope 3) GHG emissions	Yes	<p>Please refer to the "Our Environment" section of the report</p> <p>MGO, LO: Inclusive of CO₂, CH₄, N₂O.</p> <p>Air Travel: ATMOSfair.de "With this, other pollutants like nitrogen oxide or soot particles besides pure CO₂ emissions are also included that warm the climate in addition to CO₂."</p> <p>MGO, LO: Source of emission factors - DEFRA. "The GWPs used in the calculation of CO₂e are based on the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) over a 100-year period (this is a requirement for inventory / national reporting purposes)."</p>	Pages 89 - 90
GRI 305	305-4	GHG emissions intensity	Partial	Please refer to the "Our Environment" section of the report. Unable to provide an overall GHG emissions intensity due to nature of our operations - shore-based employees vs utilised / unutilised boat days UBD / UUBD. We have reported intensity ratio by Scope 1 MGO per UUBD; Scope 1 LO per UUBD; Scope 2 electricity per shore-based employee; Scope 3 MGO per UBD; Scope 3 LO per UBD	Pages 89 - 90
GRI 305	305-5	Reduction of GHG emissions	Yes	Please refer to the "Our Environment" section of the report.	Pages 89 - 90
GRI 305	305-6	Emissions of ozone-depleting substances (ODS)	Yes	Please refer to the "Our Environment" section of the report / report on HCFC / HFC.	Page 91

GRI 305	305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	Yes	Please refer to the "Our Environment" section of the report / NO _x , SO _x , PM and VOC emissions tables.	Page 92
GRI 307	307-1	Non-compliance with environmental laws and regulations	Yes	There were no instances of non-compliance in 2019.	N/A
Labour Practices and Human Rights					
GRI 103	103-1 103-2 103-3	<ul style="list-style-type: none"> - Explanation of the material topic and its boundary - The management approach and its components - Evaluation of the management approach 	Yes	<p>Providing a safe working environment that is free from discrimination and harassment is critical to SPO's sustainability. This includes ensuring that all employees receive proper instruction regarding their own rights and are in a position to seek immediate help if those rights are violated. Statutory benefits should cover workers' basic needs, including healthcare, and have a full explanation in the appropriate language. SPO aims to be the Employer of Choice by treating people with respect and providing them with good and safe working conditions, equitable remuneration and benefits. In addition to the Code of Conduct we have Equal Opportunities, Diversity, Inclusion and Respect in the Workplace Standard Operating Procedure (SOP). For more information see the "Our People" section of the report.</p> <p>SPO has a whistleblowing procedure in place to report any issues related to labour practices and / or human rights. This can be an entirely confidential process.</p> <p>Two potential cases of Harassment or Discrimination on any grounds, verbal or non-verbal (Age, Race, Religion, Ability, Gender, Gender Identity, Sexual Orientation etc.) were reported and dealt with in accordance with SPO's policies and procedures. See section 406-1 below on the outcome of those cases.</p> <p>SPO complies with the UK Modern Day Slavery Act 2015 and from January 2019, with Australian Modern Slavery Act.</p>	<p>Code of Conduct http://bit.ly/2GADZ7g</p> <p>Modern Day Slavery Act statement on SPO's website http://bit.ly/33C81Aj</p> <p>Page 28</p>
GRI 401	401-1	New employee hires and employee turnover	Yes	See the "Our People" section of the report and Annex on New Hires and Employee Turnover.	Pages 37, 127
GRI 401	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Yes	<p>All of the statutory benefits are provided as an absolute minimum in all of SPO's key locations for all employees. Additional benefits for full-time employees include:</p> <ul style="list-style-type: none"> - Life insurance and disability coverage - Bonus payments and long service awards <p>All of our seafarers receive:</p> <ul style="list-style-type: none"> - Private Healthcare - Pension arrangements or cash in lieu for all seafarers - Life Insurance - Collective Bargaining Agreement in place with International Transport Federation (ITF) affiliates - Discretionary training <p>Key locations are defined as countries where more than 3% of our employees are based.</p>	Page 51

GRI 401	401-3	Parental leave	Yes	<p>Total number of employees that were entitled to parental leave: 3 Male and 7 Female employees</p> <p>Total number of employees that took parental leave: 1 Male and 4 Female employees</p> <p>Total number of employees that returned to work in the reporting period after parental leave ended: 1 Male and 4 Female employees</p> <p>Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work: 6 Male and 11 Female employees</p>	N/A
GRI 408	408-1	Operations and suppliers at significant risk for incidents of child labour	Yes	<p>SPO complies with the UK Modern Day Slavery Act 2015 and from January 2019, with the Australian Modern Slavery Act. As part of that commitment we will not tolerate child / forced or compulsory labour within our business or in our supply chain.</p> <p>We publish an annual statement which is available on our website. High Risk categories were determined based on the level or exposure to potential MSA / human rights violations.</p> <p>We focused on: third-party manning agencies that supply crew (including cadets), and shipyards that build, maintain, repair and / or recycle vessels as high risk sectors that SPO considers high priority.</p> <p>We were also audited internally during 2019 against our modern slavery initiatives.</p> <p>The audit report recommendations were closed out or planned for 2020. There were 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 2019. See section on "Child / Forced and Compulsory Labour / Modern Day Slavery Act"</p> <p>There were no cases of child labour in 2019.</p>	<p>MSA Statement http://bit.ly/33C81Aj</p> <p>Page 28</p>
GRI 409	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Yes	See section on "Child / Forced and Compulsory Labour / Modern Day Slavery Act" and refer to 408-1 above. There were no cases of forced or compulsory labour in 2019.	<p>MSA Statement http://bit.ly/33C81Aj</p> <p>Page 28</p>
GRI 412	412-2	Employee training on human rights policies or procedures	Yes	We assigned essential training of our relevant employees assessed as most likely to encounter potential issues with regard to modern slavery. As at the end of December 2019 about 20% completed the online training course.	<p>MSA Statement http://bit.ly/33C81Aj</p> <p>Page 28</p>
GRI 412	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Yes	All new and re-contracted suppliers have a contractual clause included which requires them to comply with the UK Modern Slavery Act 2015 (MSA). We also have a specific MSA questionnaire which has to be completed by suppliers in order to be included in the Approved Vendor List.	N/A
GRI 406	406-1	Incidents of discrimination and corrective actions taken	Yes	<p>See the "Diversity and Inclusion" and "Fines and Grievances" sections of the report.</p> <p>Two potential cases of Harassment or Discrimination were recorded in 2019 and investigated.</p> <p>Case #1 – Investigated and concluded that there was no evidence of discrimination.</p> <p>Case #2 – Investigated and the person was reminded to act professionally.</p>	Pages 30, 42 - 48

Local Content / Social Licence to Operate					
GRI 103	103-1 103-2 103-3	<ul style="list-style-type: none"> - Explanation of the material topic and its boundary - the management approach and its components - Evaluation of the management approach 	Yes	<p>SPO aims to hire from and build the capacity of the local talent pool in key markets where the business operates. Providing good employment and promotion opportunities, and training in globally relevant skills is an important part of maintaining the approval of local stakeholders. Especially relevant in locations where the business seeks to be an integral part of the future, benefiting from and contributing to the economic development.</p> <p>Local content carries an expansive meaning, but within the Oil and Gas industry it is generally recognised as an intervention by a national government aimed at ensuring that the majority of the goods and services required at each stage of the Oil and Gas value chain are locally supplied. Local content policies compel companies to actively engage the local workforce as part of their conduct of petroleum operations, thereby facilitating the transfer of valuable skills and knowledge to the benefit of the indigenous communities as a whole. SPO does that through employing local talent and providing them with training opportunities as well as by purchasing goods and services from local suppliers.</p> <p>See the "Our Communities" section for more information.</p> <p>No grievances were recorded during the reporting period.</p>	Pages 104
GRI 202	202-2	Proportion of senior management hired from the local community	Yes	<p>85% of our shore-based employees were classified as "local" in 2019. We define "local" as a national or permanent resident of the country of employment. The balance of 10% are classified as "expatriates" and 5% being contract employees. Note that 18% of our expatriate employees are our Parent Company's managers on rotation across the wider Swire group. The rest have necessary industry specific competencies and generally are long-term career managers serving with the Company worldwide.</p> <p>We seek opportunities to identify, train and promote local talent in countries where we operate. Our shore-based employees are based in 21 countries and regions around the globe, with five key* (*key or significant locations are defined as having 3% of total number of employees and above) locations as follows: Denmark – 8%, Norway – 12%, Philippines – 11%, Singapore Head Office – 46% and United Arab Emirates – 8%</p> <p>Percentage of the Senior Executive team hired from the local community is 14%. The Senior Executive team is comprised of the Company's Directors and General Managers (GMs) who have the day-to-day tasks of managing SPO and making executive decisions.</p>	Page 39
GRI 419	419-1	Non-compliance with laws and regulations in the social and economic area	Yes	There have not been any significant fines and non-monetary sanctions for non-compliance with laws and regulations identified in 2019.	N/A

Cybersecurity					
GRI 103	103-1 103-2 103-3	<ul style="list-style-type: none"> - Explanation of the material topic and its boundary - The management approach and its components - Evaluation of the management approach 	Yes	<p>The pace of digitisation has far exceeded regulation to control and manage data privacy and protection, leading to data and liability breaches that can cost millions, and compromise data. In the marine sector, increased automation and integration via online platforms, have simultaneously increased the risk of cyber attacks that threaten to halt operations and safety of crew on board. SPO takes these risks seriously and has identified Cybersecurity as a material issue for business. We have a Cybersecurity and Information Classification Policy in place and we recognise the importance of cybersecurity for both our offices and our vessels.</p> <p>We regularly review our infrastructure security by conducting periodic assessments to identify weak areas and vulnerabilities towards emerging threats. In 2019, we conducted a Compromise Assessment. The result of the assessment was satisfactory; however we will continue to work on strengthening our identified areas to ensure our risks are continuously mitigated. SPO continues to invest in cybersecurity technologies or solutions to ensure the organisation has in-depth cyber defence.</p> <p>For more information please see the "Cybersecurity" section of the report.</p> <p>No serious issues were recorded in 2019.</p>	Page 27
Access to and Affordability of Oil					
GRI 103	103-1 103-2 103-3	<ul style="list-style-type: none"> - Explanation of the material topic and its boundary - The management approach and its components - Evaluation of the management approach 	Yes	<p>There are deep disparities in today's energy world: oil markets and geopolitical tensions, carbon emissions and climate targets, the promise of energy for all and the lack of electricity access for 850 million people around the world. The gap between expectations of fast, renewables-driven energy transitions and the reality of today's energy systems in which reliance on fossil fuels remains stubbornly high. The world will still need the Oil and Gas industry to live our day-to-day lives. However an accelerated transition to renewable energy has caused unprecedented price volatility, which coupled with imminent emissions taxes, and societal expectations to decarbonise may still lead to either a real physical or "virtual" peak oil scenario.</p> <p>Campaigns to divest from coal and fossil fuel-related companies are gaining momentum, calling into question the future of Oil and Gas. Production from existing fields are predicted to decline at a rate of roughly 8% per year in the absence of any investment, larger than any plausible fall in global demand. Offshore wind is gathering speed and has the technical potential to meet today's electricity demand many times over.</p> <p>Approximately 70 - 80% of SPO's revenue currently comes from fossil fuel-related business. With the adoption of alternative energy accelerating fast SPO needs to continue to diversify our business; reducing our dependence on the Oil and Gas sector whilst building on our strong, safety conscious and experienced maritime skills.</p> <p>SPO's subsidiary companies such as Swire Blue Ocean and Swire Emergency Response provide windfarm installation, transportation services, salvage and oil spill emergency response services.</p> <p>See the "Demand for Oil and Gas Services" section of the report for more information.</p>	Pages 96 - 97

Energy Transformation					
GRI 103	103-1 103-2 103-3	<ul style="list-style-type: none"> - Explanation of the material topic and its boundary - The management approach and its components - Evaluation of the management approach 	Yes	<p>The Oil and Gas industry is facing increasing demands to clarify the implications of energy transitions for their operations and business models, and to explain the contributions that they can make to reducing greenhouse gas emissions and to achieving the goals of the Paris Agreement.</p> <p>The pressure to transform current energy systems to keep climate change within internationally agreed 'safe' limits is intense. There is a move away from centralised models run mainly on fossil fuels, towards decentralised ones using renewable or cleaner forms of energy.</p> <p>SPO is looking for suitable opportunities to further improve the sustainability of our business decarbonising our operations. We are currently developing projects that are evaluating improving the operational efficiencies of our vessels, minimising our environmental impact and reducing shore-based electricity consumption.</p> <p>See the "Demand for Oil and Gas services" section of the report for more information.</p>	Pages 96 - 97
Alternate fuels					
GRI 103	103-1 103-2 103-3	<ul style="list-style-type: none"> - Explanation of the material topic and its boundary - The management approach and its components - Evaluation of the management approach 	Yes	<p>The substantial emission reductions which must be achieved over the next decades are expected to drive technology development and, in particular, the introduction of low carbon fuels. Proactive investment and experimentation with industry partners is necessary to develop and scale alternatives to fossil fuels in a marine setting.</p> <p>SPO is looking for suitable opportunities to further improve the sustainability of our business decarbonising our operations. We are currently developing projects that are evaluating improving the operational efficiencies of our vessels, minimising our environmental impact and reducing shore-based electricity consumption. We are also actively exploring the feasibility of other low / zero carbon fuels in green marine projects. <i>Project Hafnium</i> was set up to explore the viability of hydrogen (H₂) production, storage, and power for Offshore Supply Vessels, with the goal of radical decarbonisation through the use of H₂-based fuel.</p> <p>A feasibility study was conducted in 2019 to provide insights on the technical and financial feasibility of hydrogen as fuel for the Platform Supply Vessels in SPO's fleet.</p> <p>For more information please see the "<i>Project Hafnium</i>" section of the report.</p>	Page 101 and URL link to the report: https://bit.ly/3eLVgOJ
Diversity and Inclusion					
GRI 103	103-1 103-2 103-3	<ul style="list-style-type: none"> - Explanation of the material topic and its boundary - The management approach and its components - Evaluation of the management approach 	Yes	<p>Ensuring that the business offers the right conditions for all employees to thrive, regardless of gender, race, cultural, and other differences. This includes the examination of deep structural inequalities within the businesses, including the distribution of minorities in upper management and the design of vessels to manage diverse needs. Evidence shows that diverse teams perform better, so part of this is redesigning the business for higher performance. We continue to seek to encourage more women to join SPO fleet by creating a culture where women feel safe and are supported. We have an Equal Opportunities, Diversity, Inclusion and Respect in the Workplace Standard Operating Procedure (SOP) which aims to embed diversity and equality into all our operations to ensure that we benefit from a welcoming, positive, innovative and out-performing work environment, which is essential to SPO's continuing success. In addition to the SOP we provide a confidential Whistleblowing Hotline to deal with any potential issues.</p> <p>Please see the "Diversity & Inclusion" section of the report for more information. Two grievances were reported during the period covered by this report and have been addressed (see 406-1 below).</p>	<p>Code of Conduct http://bit.ly/2GADZ7g</p> <p>Pages 42 - 48</p>

GRI 405	405-1	Diversity of governance bodies and employees	Yes	<p>The balance of the SPO Executive team from the gender identity, age and ethnic diversity perspectives continues to be an issue for SPO (all males: three members 30-50 y.o., four members over 50 y.o.) which is being addressed through Leadership Development training, succession planning and Diversity & Inclusion (D&I) strategy which is being developed for the launch in 2019.</p> <p>Composition of the Exec: 30-50 y.o. => 43% and > 50 y.o. => 57%</p> <p>Composition of the Board: 30-50 y.o. => 22% and > 50 y.o. => 78% with one female and eight male members</p> <p>The Leadership Development programmes identify high potential employees who are given the opportunity to develop or improve their leadership skills. SPO aims to develop a pool of competent leaders which is not gender identity biased and have systems in place which allow both men and women to succeed. Six employees attended Operational Leader Development Programme and 12 employees attended Team Leader Development Programme training modules in 2019.</p> <p>Employee breakdown by gender identity and age group are included in the report.</p> <p>See the "Our People" section of this report for more information.</p>	Pages 44 - 46
GRI 405	405-2	Ratio of basic salary and remuneration of women to men	No	This is not tracked, however SPO conducts regular reviews, that show that there is no instance of men and women with the same competence / experience being paid differential rates for performing the same work.	N/A
GRI 406	406-1	Incidents of discrimination and corrective actions taken	Yes	<p>There were two potential cases of Harassment and / or Discrimination recorded in 2019 and investigated.</p> <p>Case #1 – Investigated and concluded that there was no evidence of discrimination.</p> <p>Case #2 – Investigated and the person was reminded to act professionally.</p>	N/A

Physical Security					
GRI 103	103-1 103-2 103-3	<ul style="list-style-type: none"> - Explanation of the material topic and its boundary - The management approach and its components - Evaluation of the management approach 	Yes	<p>SPO takes all risks seriously and security is an issue for business as well as a legislative requirement to have in force. We have a Company Security Policy in place and recognise the importance of security for our vessels.</p> <p>The primary threat to any vessel is a criminal boarding. Therefore physical security of our vessels is paramount to ensure all our seagoing employees are protected adequately from any physical threats of boarding from any possible perpetrators. This threat is ever evolving and we actively work with relevant government agencies as well as independent Security Contractors to ensure we receive up-to-date and immediate information regarding any attacks or threats within any region.</p> <p>All seagoing employees are reminded constantly of ensuring they maintain effective lookouts, conduct security drills regularly and ensure all possible threats are treated with the upmost importance.</p> <p>In 2019, we conducted a full review of the security equipment installed on board the vessels and we will continue to work on strengthening our identified areas to ensure our risks are continuously mitigated. SPO continues to invest in security equipment to ensure all our vessels have sufficient defence against any future piracy threats.</p>	N/A
GRI 410	410-1	Security personnel trained in human rights policies or procedures	Yes	<p>The contractor we engage is an ISO 28000/28007 certified security company with a primary focus on armed protection of vessels. As part of the ISO certification companies must design and implement maritime security management control, which covers the UN Guiding Principles on Business and Human Rights.</p> <p>Human Rights policy is part of the Company's pre-deployment training programme and employment contracts which apply to all personnel, including personnel vetted by third-party recruitment agencies. This is part of the ISO 28007 certification and is audited by an external auditor yearly.</p> <p>100% of all of personnel, including third-party, are trained in Human Rights.</p>	

Request for feedback

In order that we may continually improve our reporting, we would be grateful for your views and comments on any aspects of this report, via e-mail to the address below.



Contact Details

Simon Bennett

General Manager – Sustainable Development

T +65 6632 3632

simon.bennett@swirespo.com

www.swirespo.com

Swire Pacific Offshore Operations (Pte) Ltd
#15-01, The Concourse
300 Beach Road
Singapore 199555

The assurance statement will be published following the assurance process.