



Sustainable Development Report for the Calendar Year 2020

Governance



Our People



Safety



Our Environment



Our Communities



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Photo by Francesco Ungaro on Unsplash

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Left: Photo by Sergi Ferrete on Unsplash

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Managing Director's Message

The Swire group believes that alongside an abiding focus on employees, 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 our 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, 2020.

SPO has been in business for over 45 years and as an industry leader has invested consistently in our people, assets and capabilities, continually seeking to differentiate ourselves from our competitors whilst simultaneously improving the sustainability of our businesses across all measures.

SPO's mission is to 'Deliver safe, high quality, reliable and sustainable Marine Services'.



We have an in-house Sustainability Team, the leader of which also serves as a Director of the Sustainable Shipping Initiative, the Ship Recycling Transparency Initiative and the World Ocean Council. These organisations promote the sustainable use of the atmosphere and oceans as a commons and believe that natural resources such as air, water and a habitable earth should be accessible to all members of society and be responsibly managed for individual and collective benefit over multiple generations to come.

He is also a member of the Sustainability Committee of the British Chamber of Commerce in Singapore. He has ready access to SPO's senior leadership and helps shape strategy, operating at the outset of initiatives rather than through "retrofits" of existing assets, policies, practices and procedures. SPO's future strategy is defined through SwireTHRIVE 2.0 (see page 29) that was launched by Swire Pacific Limited's Chairman in November 2020, and which will be used to underpin our SPOTHRIVE 2.0 that will be rolled out in early 2021.

Our corporate vision remains the same – "Excellence in Offshore Marine Services, every time, everywhere."

Our long-term integrated strategy is "to manage our business sustainably". The question of what may be an appropriate 2050 goal for SPO will be determined in the

context initially, of our parent Swire Pacific Limited's recent announcement of a goal of (carbon neutrality by 2050), and secondly, of the IMO's present deliberations on an appropriate industry-level target for the shipping sector.

Our medium-term integrated strategy on the journey to meeting this is to reduce our absolute Scope 1 and Scope 2 carbon emissions by 50% from a 2018 baseline by 2030. Our main challenge to accomplishing this target is that only around 40% of this reduction can be achieved through Technical and Operational (T&O) measures to reduce fuel burn and associated emissions. The balance will only be realisable through the use of an alternate low or zero carbon fuel. However, there is currently no sustainable, economically viable, technologically ready alternate fuel. So, in the early stages of our journey to carbon neutrality, any reduction will have to be achieved through carbon offsetting.

There are a number of potential low or zero alternate fuels, but all have pros and cons. SPO has insufficient size to commission meaningful independent R&D in this area on our own, and in nearly all cases we would be unnecessarily duplicating work underway elsewhere. However, we are contributing where we can, such as being a knowledge partner to Singapore's Nanyang Technological University's Maritime Energy and Sustainable Development Centre of Excellence (NTU MESD CoE).



**Our corporate vision remains the same –
"Excellence in Offshore Marine Services, every time, everywhere."**

Top left: Photo by TJ Fitzsimmons on Unsplash Left: Photo by Matthew Albanus, Master, SPO

Our shorter-term strategic targets consist of many smaller activities in the People, Environment and Communities areas, as detailed in SPOTHRIVE, and around which our short-term, annual action plan is written.

To manage our business sustainably we will, *inter alia*:

- Pursue both a reduction in fuel consumption and GHG emissions consistent with maritime industry climate goals, as detailed below, and seek to deliver an increase in other positive environmental impacts,
- Support communities in which we operate, and
- Deliver transparent and verified sustainability reporting.

The major corporate event for the SPO group in 2020 was the spin-off through an IPO of Swire Blue Ocean (renamed "Cadeler") that was announced on 8th October 2020, and completed on 27th November 2020. Taking the offshore wind turbine transportation and installation specialist public came on the back of the announcement of significant expansion plans for the Danish operator.

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

Pacific Orca and *Pacific Osprey*, already two of the most capable Windfarm Installation Vessels in the global fleet, are planned to be fitted with new cranes, enabling them to handle future turbine models currently under design by major manufacturers. With a strong orderbook and excellent relationships with blue-chip customers, Cadeler's IPO has positioned the company for the next phase of its growth and will help ensure that it remains a market leader, offering a unique proposition in what is an exciting and rapidly expanding sector.

The all-consuming story of 2020 was of course COVID-19. 2019 closed with improving market conditions at last in the core fleet segments of Anchor Handling Tug Supply (AHTS) Vessels and Platform Supply Vessels (PSV), but this was sadly derailed by the COVID-19 pandemic that spread around the world in March 2020. The pandemic devastated communities and economies across the world, and the resultant downturn in activity led to a commensurate collapse in energy demand, and thus also the need for offshore marine services. SPO reacted quickly to reduce our active fleet size, aiming to reduce from 75 vessels to 50 through the sale or lay-up of non-core and older vessels in order to reduce costs, maintain a competitive fleet, and position SPO to return to profitability.

The most material effect of COVID-19 on SPO was the almost total shutdown in international travel, which caused considerable difficulty in effecting crew changes, and resulted in large numbers of seafarers being unable to be relieved. At the height of this human crisis some 400,000 seafarers, globally, were serving onboard months over their contract lengths. Even as travel opened up, regulations for departure or arrival at crew change ports were changing by the day, and even into 2021, the situation is far from normalised.

In January 2021, along with over 300 other companies and organisations, the Company signed the Global Maritime Forum-initiated Neptune Declaration on Seafarer Wellbeing and Crew Change (the "Neptune Declaration") in a worldwide call to action to end this unprecedented crew change crisis caused by COVID-19.

This crisis will pass, but the Company owes significant thanks to all who have worked long hours to manage every obstruction that the pandemic has thrown in our path.

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



Message from General Manager – Sustainable Development



We have been publishing annual sustainability reports since 2010, demonstrating our commitment to sustainability by fully and transparently disclosing our performance and progress in all material areas covered by ISO 26000:2010. Sustainability issues continue to form a key part of our medium to long-term business strategy and senior management continues to monitor the management of substantive Environment, Social and Governance (ESG) factors across the SPO group and reporting them to our parent company, Swire Pacific Limited.

The process of meaningfully reporting our sustainability issues has helped us to understand the complex expectations of our key external and internal stakeholders and helps us fine-tune how these expectations can be used to positively impact our business.

In the short term we, along with nearly all global business must continue to manage our response to the ongoing COVID-19 pandemic to ensure the physical safety and mental wellbeing of all our employees. The pandemic has created significant hurdles to crew changes and repatriation of seafarers, and this is expected to linger on into 2021 until the pandemic is brought under control worldwide. We remain extremely focused on ensuring that crew changes are done safely and healthily for all, despite the increased cost to business that enforced quarantine measures through the crew relief process causes.

Photo by Ilse Orsel on Unsplash



By a long mile, our key medium and long-term sustainability challenge is decarbonisation of our operations.

By a long mile, our key medium and long-term sustainability challenge is decarbonisation of our operations. Offshore fleets present a particular problem in that the ultimate decarbonisation solution of switching to a low or zero carbon fuel is constrained. This is due to the very limited space available for almost all alternate fuels that are less energy dense and thus require more storage space on small OSVs to deliver the same endurance. The other issue is the load profile of OSVs that can have long periods of “ticking over” on standby, interspersed with shorter bursts of high power when towing or on Dynamic Positioning (DP).

We recognise that we do not have the size to undertake sole viable major studies as alternate fuels reach higher Technology Readiness Levels (TRL). However, we do seek to be active knowledge partners with other industry and academic partners, where relevant, in joint studies on the likely candidates (all with pros and cons in areas of safety, sustainability, availability and cost of engine conversion) of Ammonia, Methanol, Fuel Cells, Hydrogen and Biofuel.

The concept of “peak oil” was first postulated by geologist M. King Hubbert whose 1956 paper first presented a formal theory. As of 2021, peak oil forecasts range from 2019 to 2040, depending on economics and how governments respond to global warming. The COVID-19 pandemic led to a sharp dip in demand for all energy as economies shut down to prevent the virus spreading between workers and consumers. But even with this reduction in total demand, and a change in its relative use between delivering grid energy generation, transport and chemical feedstock over time, as the excerpt from the latest IEA paper on page 106 shows, oil and gas is forecast to be still providing just 20% less of world primary energy supply in 2050 than it is providing today. We will continue to evaluate supply and demand requirements in the years ahead very carefully and closely.

In order to exchange best practices and work towards the common goal of a more sustainable shipping sector, SPO is partnering with organisations in the marine sector, through collective initiatives such as the Sustainable Shipping Initiative (SSI), Ship Recycling Transparency Initiative (SRTI), the World Ocean Council (WOC), the Maritime Anti-Corruption Network (MACN), the British Chamber of Commerce in Singapore (BritCham), the Singapore NTU College of Engineering, Maritime Energy and NTU MESD CoE. SPO has also signed the Neptune Declaration on Seafarer Wellbeing and Crew Change.

We conduct regular “horizon-scanning” for even weak signals of change, and these are discussed at senior-most levels. We have strong support to make commercial decisions for both the general public good and enlightened self-interest. We undertake regular evaluations of our risk and opportunity profile, and put in place adaptive and mitigation strategies early.

For all these reasons we are in a good place to deliver both value-added and sustainable performance for the years to come.

Simon Bennett

General Manager – Sustainable Development, SPO

Introduction

We continue to integrate economic, environmental and social sustainability, and good governance, 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 2020 to 31st December 2020. All data points cover our position as at 31st December 2020 with one exception: data for Swire Blue Ocean (renamed Cadeler) is included for the period from 1st January till 27th November 2020 (date of the IPO). 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, Safety, Our People, Our Environment and Our Communities covering the topics that we have found to be the 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).

This report details the impacts we have made across each of the five pillars of our reporting framework: Governance, Safety, Our People, Our Environment and Our Communities.

Environmental Performance

Climate Footprint

Emissions

Metric tonnes (t) CO₂e

Scope 1
88,645 ▼ 6.8%

Scope 2
331 ▼ 24.5%

Scope 3
367,451 ▼ 19.8%

Other Air Emissions

(Scope 1 & 3)

Metric tonnes (t)

NO_x
7,057 ▼ 17.1%

SO_x
3,148 ▼ 17.3%

Particulate matter
194 ▼ 17.1%

VOC
1,567 ▼ 17.1%

Black Carbon
18,835 new metric

Responsible Ship Recycling

Recycled *Pacific Falcon* with

- zero injuries
- zero pollution incidents
- 98.7% of the vessel by weight recycled, reused / upcycled



Ecological Impacts

No significant spills

Spills and releases to the environment

Social

Employee Health and Safety

*per million manhours

Lost Time Injury
Frequency Rate (LTIFR)*

0.58

Total Reportable Case
Frequency Rate (TRCFR)*

1.85

Diversity

Seagoing employees
by gender identity



Shore-based employees
by gender identity



Number of females in Senior Manager roles increased from 19% in 2019 to 31% in 2020.

Governance

Business Ethics

Grievances

7 reported /
3 substantiated and
addressed

Corruption Cases

0

Fines and Sanctions

0

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. Below are some of our achievements across the three pillars of our Sustainability Strategy in 2020:

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.

- Addressing wellness at sea during the COVID-19 global pandemic was one of our key focus areas. Travel restrictions imposed by governments around the world created substantial hurdles to effecting crew changes and repatriation of seafarers. Our Manning teams worked tirelessly to ensure that we manage crew movements safely, despite constantly changing regulations and restrictions in different countries.

From April to December 2020 we arranged for 6,358 movements of our seagoing employees. SPO covered all expenses associated with getting our seafarers on and off our vessels safely, including extended quarantine periods ashore during joining and / or leaving ships.

Photo by Matthew Albanus, Master, SPO




CRISIS HELPLINE - WE'RE HERE TO HELP

Sailors' Society's Crisis Response Network provides trauma care and advice for seafarers and their family members affected by critical incidents such as accidents at sea, piracy attacks or natural disasters.

Dedicated SPO helpline:
Call our 24/7 helpline on +1 856 888 9966 for free, confidential advice and support or visit www.wellnessatsea.org/swire-pacific-offshore.




Sailors' Society, Seafarer House, 74 St Annas Road, Southampton, SO19 9FF, UK
Registered Charity No. 237778. Registered Company No. 86942.
Sailors' Society Scotland, Charity-registered in Scotland no. SC041887.
Registered Company No. SC387850.

Sailors' Society,
Wellness at Sea

We doubled the internet bandwidth on the vessels at a very early stage of the pandemic lockdown so that they could keep in regular contact with their families and friends.

Thriving People



- In our effort to look after the wellbeing of our seafarers, we doubled the internet bandwidth on the vessels at a very early stage of the pandemic lockdown so that they could keep in regular contact with their families and friends. Communication with the vessels also played a major part in managing the crisis. We instigated fortnightly Microsoft Teams calls with the Masters on the vessels and at home; we then extended this to all senior officers. As Management could no longer visit the vessels in person, virtual Management visits were held. This was all centred on keeping our remote employees abreast of the latest developments.
- SPO's dedicated crisis helpline was used by our seafarers to seek professional help when they needed it. The helpline goes hand in hand with the three-day 'Wellness at Sea' course facilitated by the Sailors' Society which is included in training requirements for all of our seagoing employees.
- SPO implemented Flexible Work Policy arrangements for our employees globally. We published two COVID-19 pulse surveys for shore-based and seagoing employees to gather feedback on the Company's response and efforts in managing the pandemic. The results helped SPO to better understand and address employees' key concerns by introducing measures and continually enhancing the efficacy of our communication efforts.
- SPO remained highly committed to training and development. In 2020 we trained 2,414 seafarers on various online courses by SMTC instructors, equating to a total of 4,301 training hours. This represents a 77% increase in the number of people trained in 2019.
- We were selected as one of five finalists of the Talent Development award at the 13th edition of the *Seatrade Maritime Awards*.

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 Water Bottles (SUPWBs) on board vessels and in offices. Over the course of 2020, we achieved a 60% reduction in average SUPWBs usage per vessel, coupled with an increase of 333% in the use of refillable flagons.
- SPO committed to switch to refrigerants with zero Ozone Depleting Potential (ODP) and lower Global Warming Potential (GWP). We have a target of a 50% reduction of HCFC-R22 refrigerant (freons) used in the fleet by 2021 (from 2020 baseline), in accordance with the Kigali Amendment to the Montreal protocol. In 2020, our use of HCFC-R22 reduced by 19.2%.
- SPO sustainably and responsibly recycled *Pacific Falcon* in Alang, India. 98.7% of the vessel's components were reused / upcycled. The Ship Recycling Facility (SRF), R.K. Industries, had willingly and proactively implemented all the necessary SRF Management Plans and upgraded their facilities to meet the requirements of the Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships, even though it is adopted but not yet formally ratified. SPO employed a site monitoring team to work alongside SRF personnel to help ensure that all work was carried out in full compliance with the Management Plan and Ship Specific Recycling Plan.

Over the course of 2020, we achieved a 60% reduction in average SUPWBs usage per vessel.



Photo by Brian Yurasits on Unsplash



Above: *Pacific Falcon*



Photo by Matthew Albanus, Master, SPO



Achievements in 2020 before the COVID-19 pandemic shut down all activities, included planting 600 mangrove seedlings, collecting 32 large sacks of non-biodegradable debris and waste, and raising awareness on the importance of mangroves as ecosystems in the local community.

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 volunteers for the rehabilitation of these forests and mangroves for a period of five days. Achievements in 2020 before the COVID-19 pandemic shut down all activities, included planting 600 mangrove seedlings, collecting 32 large sacks of non-biodegradable debris and waste, and raising awareness on the importance of mangroves as ecosystems in the local community.
- SPO provides ongoing assistance to ASSMDA - an independent, not-for-profit organisation headquartered in Manila. ASSMDA supports the dependents of ASSM seafarers and works with the local communities on educational, social and civic projects. Throughout 2020, ASSMDA conducted several activities in aid of seafarers' families and local communities, from relief operations through to assisting with distribution of COVID-19 Personal Protective Equipment (PPE) to communities.
- SPO donated USD 25,000 to maritime charity, Sailors' Society, demonstrating our continued commitment to supporting seafarers in need. The funds will go towards the charity's work around the world, with half dedicated to work in the Philippines, where it has been rolling out mental health awareness, family resiliency workshops and pre-departure seminar modules for seafarers and families.

2 | Governance

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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 Limited, 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 industry with a network that spans the globe. SPO owns and / or operates a number of offshore support vessels. At the end of 2020, the fleet included a mix of Anchor Handling Tug Supply (AHTS) Vessels, Platform Supply Vessels (PSV), Seismic Survey Vessels, High Speed Crew Catamaran, Accommodation Barge and Construction Support Vessel.

Overall SPO's asset value was USD 348.8 million. However, given the tightening market across the offshore support spectrum, SPO determined to focus our fleet going forward in the core sectors of AHTS and PSVs and to manage the age profile of the fleet. This reflects the increasing requirements of clients for Offshore Support Vessels (OSVs) under 15 years old.

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

Founded in 1975, SPO has over 45 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, Equatorial Guinea, Guyana, Ghana, India, Indonesia, Malaysia, New Zealand, the Philippines, Qatar, Taiwan region, the United Arab Emirates, the United Kingdom and the United States of America (USA) operating vessels in every major oil exploration region outside of North America (24 offices around the world, with a presence in most major markets except in the USA Gulf of Mexico).

On 8th October 2020 SPO announced our intention to list our subsidiary, Swire Blue Ocean (SBO), on the Oslo Stock Exchange. The company was also rebranded as Cadeler on 22nd October, a name selected to reflect its Scandinavian maritime heritage and its commitment to excellence in maritime operations.

The IPO took place on 27th November 2020 and positioned the company for the next phase of its growth, intended to ensure that it remains a market leader, offering a unique proposition in what is an exciting and rapidly expanding sector.

SBO had two windfarm installation vessels which were transferred to Cadeler.

SPO was the largest shareholder in the business at the end of 2020, however does not have management or operational control from the date of the IPO.



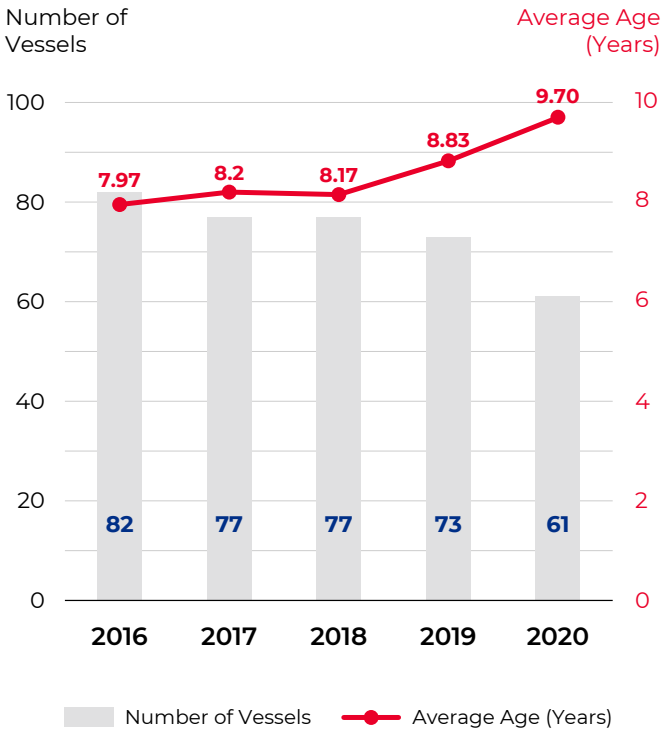
Founded in 1975, SPO has over 45 years of experience supporting blue chip companies across the globe.



As at the end of December 2020, SPO owned 61 vessels and managed one third-party vessel. During 2020 nine vessels were sold and one redelivered to its owners (*Seabed Stingray*), following the closure of Swire Seabed AS.

The average age of SPO's fleet was 9.7 years. Seafarers manning is either done in-house or through our joint venture partners where possible. Only Maritime Labour Convention (MLC) compliant Manning agencies are used should we require temporary sources of manning.

Vessel numbers and average age

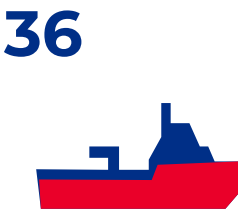
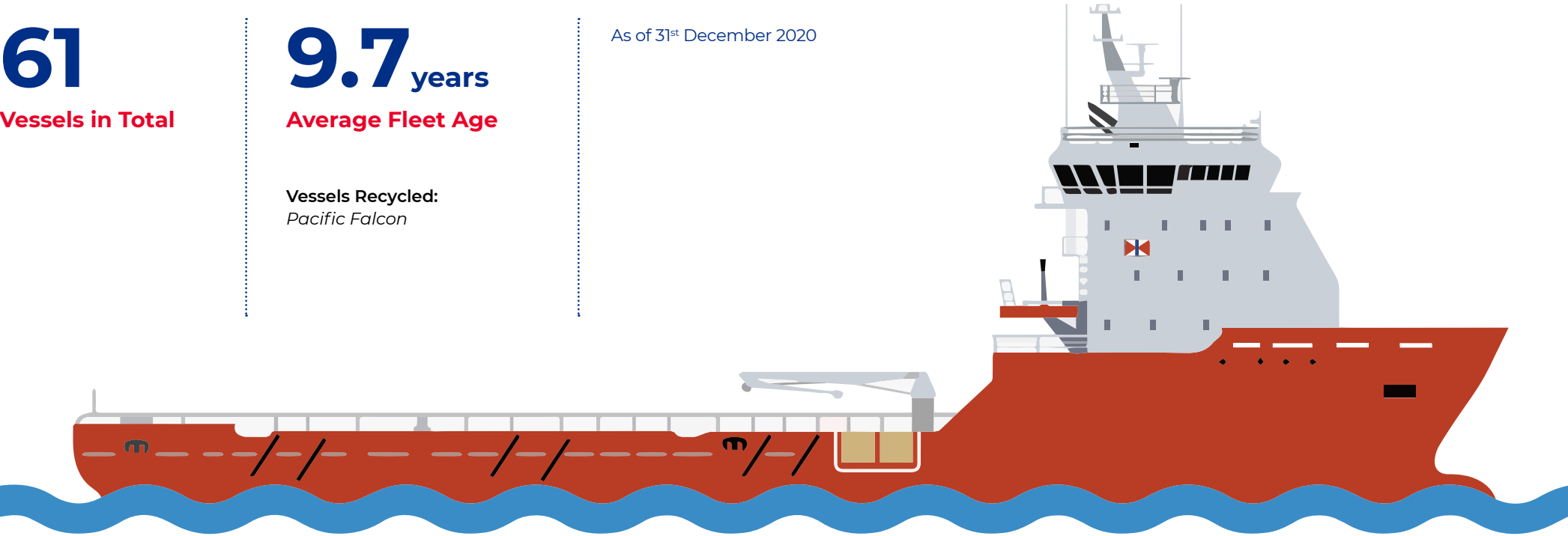


61
Vessels in Total

9.7 years
Average Fleet Age

As of 31st December 2020

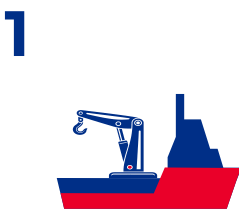
Vessels Recycled:
Pacific Falcon



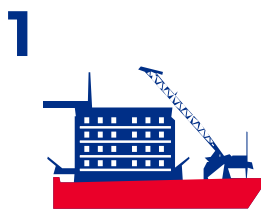
Anchor Handling
Tug Supply
Vessels (AHTS)



Platform Supply
Vessels (PSV)



Construction
Support Vessel
(CSV)



Accommodation
Barge



Seismic Survey
Vessel



High Speed
Catamaran

Organisational Boundaries

SWIRE PACIFIC OFFSHORE

Manning Companies

- Anscor Swire Ship Management Corporation*
- Swire Pacific Ship Management (Australia) Pty Ltd
- Swire Pacific Ship Management Ltd

*Not Scope 1 (vehicles)

Operating Companies

- Offshore Solutions Ltd (51% ownership)
- Swire Pacific Offshore (North Sea) Ltd
- Swire Pacific Offshore New Zealand Ltd
- Swire Pacific Offshore Operations (Pte) Ltd
- Swire Adonai Services Limited
- Swire Blue Ocean AS**
- Swire Emergency Response Services Pte Ltd
- Swire Pacific Offshore Pty Limited

Vessel Owing Companies

- Swire Pacific Offshore (Cyprus) Ltd
- Swire Pacific Offshore Operations (Pte) Ltd
- Swire Pacific Offshore Services Pte Ltd

JV and Associates

- Anscor Swire Ship Management Corporation
- Bahtera Wira Sdn Bhd
- Samudra Viper Sdn Bhd
- Samudra Vixen Sdn Bhd
- Swire Adonai Services Limited
- Swire Ocean Salvage (Pte.) Ltd

Operational Boundaries

Office Vehicular
Petrol / Diesel / LPG etc.

Office Vehicular
Petrol / Diesel / LPG etc.

Vessel HFC and HCFC consumption
/ GHG emissions

Vessel Off-hire FO and
LO consumption / GHG emissions

NO_x, SO_x, PM, VOC and Black Carbon

Scope 1 GHG



Office Electricity Usage

Office Electricity Usage

Scope 2 GHG



Management Air Travel

Management Air Travel

Vessel On-hire FO and
LO consumption / GHG emissions

NO_x, SO_x, PM, VOC and Black Carbon

Scope 3 GHG



**Note: renamed Cadeler A/S effective 22nd October 2020 and IPO of Cadeler A/S was completed on 27th November 2020. Data stated in this report includes SBO up to the IPO date.

Sustainable Development Structure

SPO seeks to uphold the highest standards of corporate governance, as we believe that good governance supports long-term value creation and is the foundation of the Company’s sustainability.

The Company is governed by a set of sound policies and processes. These serve to enhance accountability and corporate performance, as well as protect the interests of stakeholders. The SPO Board of Directors is responsible for SPO’s corporate governance standards and policies.

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.

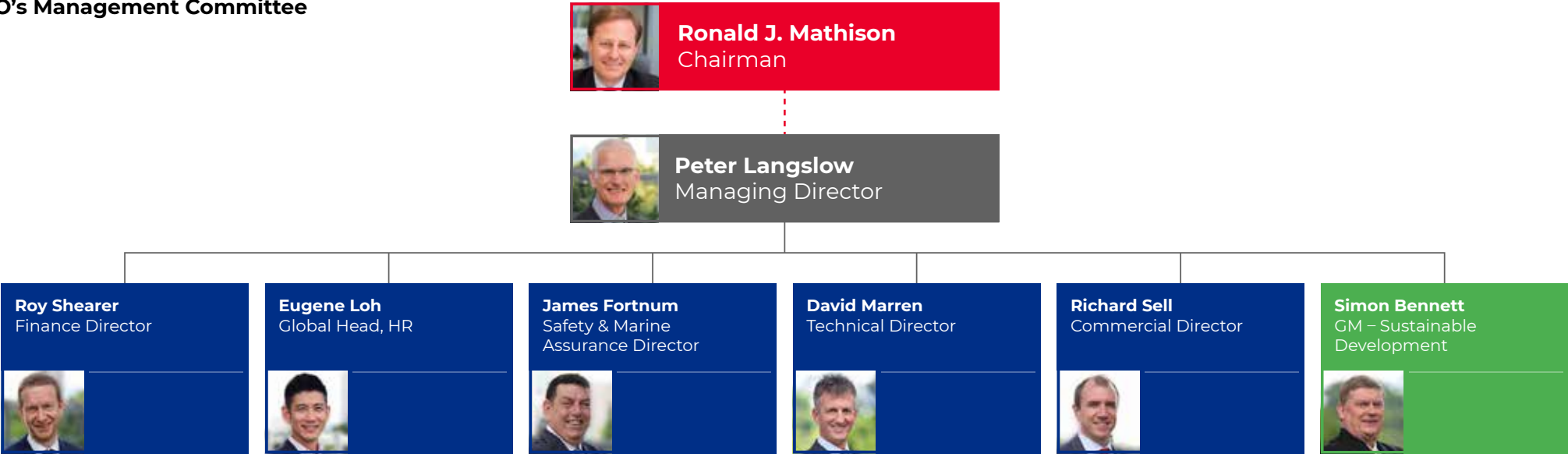
The GM SD reports directly to the Managing Director (MD) of SPO (and indirectly to the Global Head of Sustainability in the SD Office at Swire Pacific Limited in Hong Kong SAR), enabling the provision of sustainability input in the early stages of relevant strategic decisions.

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 the MD to the Swire Pacific Limited Board. These 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



The limited diversity of the Executive team, specifically gender diversity, continues to be an issue for SPO. We are aware that this will be a journey that must be undertaken prudently and will take time to deliver results.

The interests of external stakeholders relating to SD are fed back to the Management Committee by the GM SD following both stakeholder engagement and any 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.

[*https://swirespo.com/About-Us/Corporate-Governance](https://swirespo.com/About-Us/Corporate-Governance)

SPO’s Executive team is fully aware of and understands any current or potential future aspects of the environmental, social and governance issues that may impact upon SPO’s operations and thus to consider these proactively in their decision-making.

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) and 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 at every worksite, ashore and afloat, in our internal newsletter “SPOTlight” every month 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 our parent company’s 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 SPO’s Executive team is fully aware of and understands any current or potential future aspects of the environmental, social and governance issues that may impact upon 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 a dedicated “Corporate Governance & Compliance Committee” and a “Sustainability Committee” attended by the MD, Finance Director, Global Head of Human Resources and SD Manager, that meet at least quarterly and where relevant sustainability issues are raised and managed.

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



Photo by Michal B on Unsplash

SD Policies and Management Systems



Links

Sustainable Development Policy

<https://bit.ly/38kZwOA>

Health and Safety Policy

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

Environmental Policy

<https://bit.ly/3jr9gNB>

Corporate Code of Conduct

<https://bit.ly/35OQA2y>

Supply Chain Sustainability Code of Conduct

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

Human Rights Policy

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

Confidential Whistleblowing System

<https://bit.ly/3gZSH7x>

Modern Day Slavery Statement

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

SPO has in place a number of policies including but not limited to: SD Policy, Quality Policy, Health and Safety Policy, Human Rights Policy, Environmental Policy, SPO's Corporate Code of Conduct (CoC) and Supply Chain Sustainability CoC. These policies are supplemented by a number of Standard Operating Procedures (SOPs). SPO's Anti-Bribery Policy is set out in our CoC and Anti-Bribery & Corruption Policy.

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 our fleet for many years. Together, our policies, the 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 aims 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 execution of 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.

We have digitised our Corporate Governance Manual (CGM) which is available on SPO's intranet. CGM acts as a single source of truth and helps to 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. CGM has a built-in acknowledgement process which ensures employees familiarise themselves with all internal policies and procedures. CGM also forms part of employee onboarding process.

Stakeholder Engagement and Materiality

We conduct materiality assessments at least every three years to better understand stakeholders' expectations, risks and opportunities they perceive as important to the Company's long-term value creation.



Photo by Matthew Albanus, Master, SPO

Our last full materiality assessment was done in 2019 and the list of material issues is presented in a Materiality Matrix on page 28.

This report has been written to address all the material areas, as per GRI requirements.

SPO's key stakeholder groups and areas of concern can be found on page 124. We define stakeholders as internal and external interest groups who have a significant impact on our business or those who in reverse are significantly affected by our operations.

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

SPO's response to the pandemic

Given the impact that COVID-19 had on the world and the shipping industry, we engaged with our internal stakeholders via an online questionnaire to identify specific sustainability issues that emerged or changed in importance during the pandemic. We asked our seagoing and shore-based employees for their views on the areas of material importance to them and our operations in 2020 and beyond.

404 responses were received:

- 326 seagoing employees
- 78 shore-based employees

On the list of the top areas that were important to our employees at sea and ashore are “Health, mental wellbeing and Safety”, followed by “Regular communication with employees” and making sure that “Our operations are ethical at all times”.

The new issues that emerged because of COVID-19 are the importance of “Regular communication with our employees” and “Protecting the human rights of our employees” (related to crew changes during the pandemic, which became, and remain at the time of writing, very difficult). They are addressed under the *People* section of the report. Continued focus on reducing our environmental impact is addressed in the *Environment* section of the report.

We will consider if these additional issues need to be included in the Materiality Matrix when we refresh our materiality assessment involving a broader range of stakeholders.

Areas of importance to SPO's operations during 2020

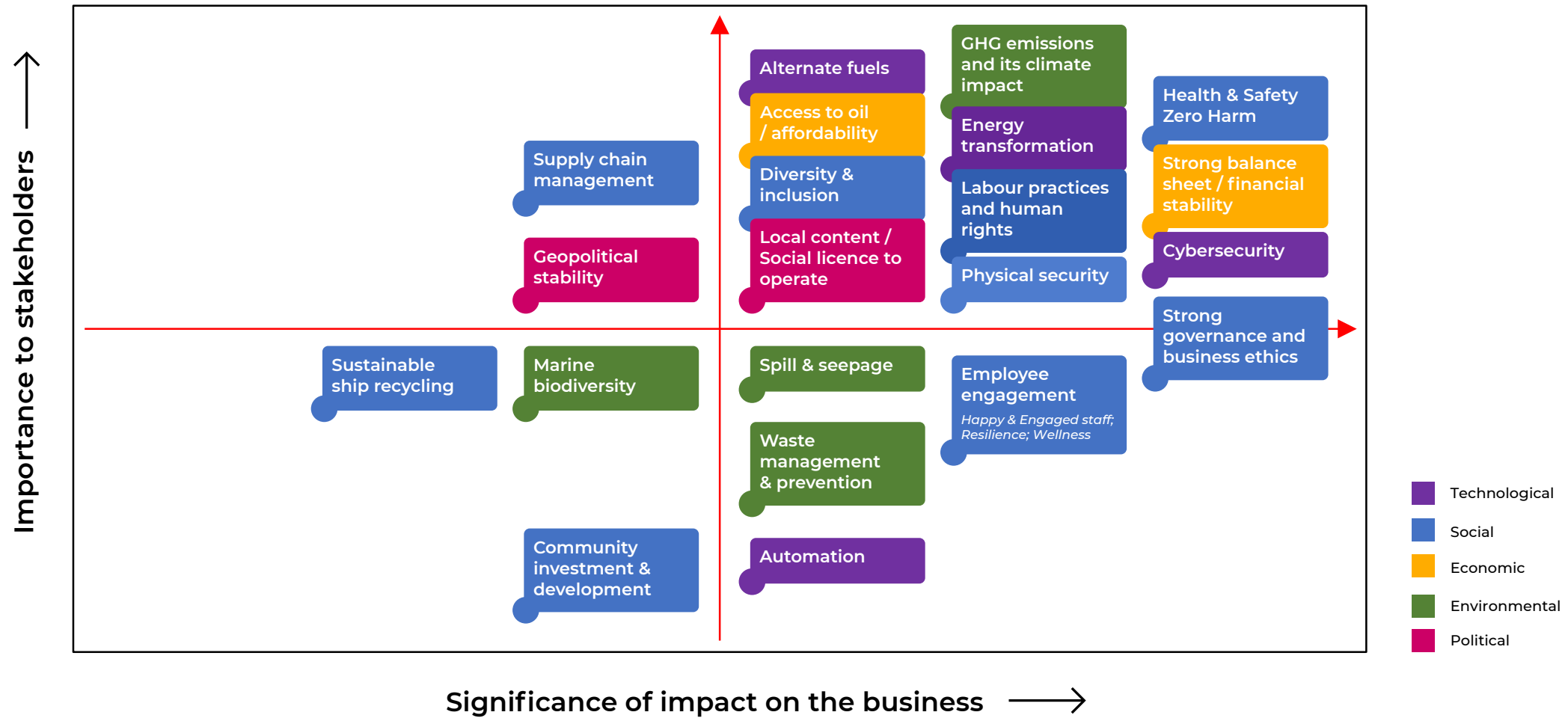
Areas of Importance for Shore-based employees



Areas of Importance for Seagoing employees



Materiality Matrix



Sustainable Development Strategy and Goals

We align our internal SD strategy with the Swire parent group's Sustainability 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.



Swire Group refreshed the SwireTHRIVE strategy for Sustainable Development in 2020. The new SwireTHRIVE 2.0 has been expanded to include environmental and social topics which are important to the Group.

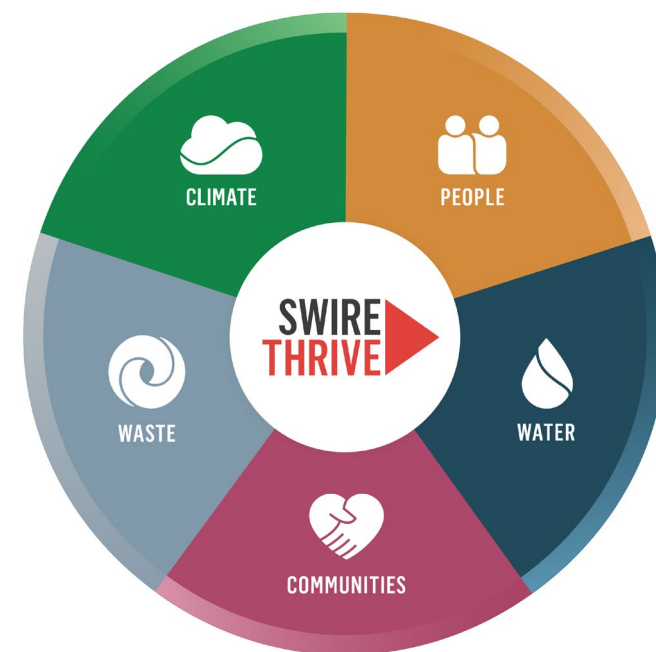
The strategy was launched during the Swire Sustainable Development Forum in November 2020 and was endorsed by Chairman of Swire Pacific Limited, Merlin Swire.

The refreshed strategy focuses on delivering ambitious targets on each of the five topics of Climate, Waste, Water, People and Communities.

Delivering this new SwireTHRIVE mission will require setting of hard targets, and a laser-like determination to deliver them. This calls for robust data collection and transparent and regular reporting.

SPO's SD Strategy (SPOTHRIVE) has three pillars, which are:

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



Left: Photo by Karen Kayser on Unsplash

Our SD strategy is aligned with the relevant UN Sustainable Development Goals (SDGs) that the Company considers most important to our stakeholders.

We have 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 these commitments and relevant SDGs is detailed on pages 129 - 132 (SDGs and with Links to SPOTHRIVE strategy and Material Issues with progress). Risks and Opportunities along SPO's Value Chain are presented on page 126.

SPO's SD strategy will be amended in 2021 and we will report against it in our next SD report.

Relevant Sustainable Development Goals



“

Our commitment to sustainability remains unwavering and reflects our long-term approach to business.”

Merlin Swire, Chairman, Swire Pacific Limited
(Swire Pacific Limited Sustainability Report 2020)



Photo by Vlad Hilitanu on Unsplash

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

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 and implementing and enforcing effective systems to counter bribery and corruption.

This commitment is underlined in our Corporate Code of Conduct (CoC) and Anti-Bribery & Corruption 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 is 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, Percipio. Training covers our CoC and Global Anti-Bribery and Corruption issues (though based on UK law). We also have a module on Anti-trust issues for relevant employees. The modules require employees to pass the test on completion demonstrating their understanding of the regulations and our requirements.

All SPO employees, besides obtaining appropriate approvals from Relevant Persons, must also 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 senior management. (see *Fines and Grievances* section)

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

Any issues or concerns can be reported using the Confidential Whistleblowing Hotline and are duly investigated by senior management.

Photo by Pepi Stojanovski on Unsplash



Photo by Sahand Hoseini on Unsplash

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 on Anti-Bribery and Corruption compliance matters.

Zero Tolerance for Facilitation Payments

We also take observing best industry practices in areas such as 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. 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's employees should never encourage nor initiate facilitation payments. We report all instances to the MACN, especially those related to physical harm, detention, or undue harassment.

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.



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 cyber-criminals typically perform spear phishing to gain access to the network during this first stage of the attack.

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

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

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

Cybersecurity education and awareness for all our employees at shore and sea continues, which cover 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 2020, we conducted Penetration Testing.* 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 and solutions to ensure the organisation has in-depth cyber defence.

**A penetration test is a simulated cyberattack against a computer system to check for exploitable vulnerabilities.*

Cybersecurity education and awareness for all our employees at shore and sea continues, which cover current and emerging threats.

Photo by Bermix Studio 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 to 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 all our moral and legal duties in this regard seriously.

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 / jurisdictions in which it operates and with all SPO's company policies. That requirement includes ensuring that SPO (and our 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 Code of Conduct spells out all principles to which we require our suppliers to adhere covering, *inter alia*, forbidding forced and child labour.

Photo by Bill Oxford on Unsplash

SPO is committed to providing good working conditions for our employees, according to universal international standards, and to protecting their safety and health.

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 aligned with SPO’s wider commitment to running all of our businesses in an ethical and sustainable manner. SPO is committed to comply with all applicable national labour laws and the ILO Convention.

SPO complies with both Australian and UK Modern Slavery Acts (MSA) and publishes one statement covering both Acts for the entire SPO group of companies within six months of the end of each financial year (which ends on 31st December), as required by the legislation.

For more information on MSA please see our Statements on Modern Slavery and Human Trafficking on SPO’s website: <http://bit.ly/33C81Aj>



The SPO Group will not tolerate the practice of modern slavery in any form and is committed to continue to work with all of our stakeholders and relevant regulators to combat this issue, wherever we 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 the calendar year 2020.

SPO has whistleblowing procedures in place for both shore-based and seagoing employees to report any issues which they feel may negatively affect health, safety or environment, or relate to any of the 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 – one reported.
- Potential Breach of CoC with respect to Malpractice, Misconduct, Wilful Negligence etc. – none reported.
- Potential Breach of CoC with respect to Bribery, Corruption, Facilitation Payments etc. – one reported.
- Potential Cases of Harassment or Discrimination on any grounds, verbal or non-verbal (Age, Race, Religion, Ability, Gender, Gender Identity, Sexual Orientation etc.) – three 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. Out of seven cases, only three were substantiated. Among those three, two cases fell under Misdirected and one fell under Harassment or Discrimination category.

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

Supplier Management

SPO actively seeks to work with organisations that are aligned with the Company principles of sustainable development.



Our procurement system sets a number of requirements that businesses must fulfil to be accepted onto our Fleet Supplier List (FSL). In addition to the necessary and standard business information, we require all our key prospective suppliers to demonstrate their alignment with SPO's Supply Chain Sustainability CoC.

Any supplier identified for inclusion in the FSL is first registered via the Sharepoint supplier registration portal allowing the Company to immediately conduct business with them. This is a two-tier approval process. Once suppliers are approved at Tier Two level they are then automatically sent the full supplier registration process access in ORBIS. The supplier is then expected to fully register within 45 days, failing which they are deactivated. The initial registration via the Sharepoint portal allows the supplier to be registered in the *SwireSense* accounting system for payment purposes.

Our procurement system sets a number of requirements that businesses must fulfil to be accepted onto our Fleet Supplier List (FSL).

All suppliers initially perform a self-audit in order to be eligible to be included on the FSL. 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 reviews this self-assessment and determines any areas for follow up against the six main risk areas, namely Environmental Performance, Health & Safety, Ethics, Governance, Labour Standards and Human Rights Compliance.

International regulations and standards for Anti-Bribery, Anti-Money Laundering & 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 alignment 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 our fleet of OSVs. We do not produce or process materials for our own use or use of others. As such, the supplier onboarding 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 the FSL.



Photo by Yang Wewe on Unsplash

International regulations and standards for Anti-Bribery, Anti-Money Laundering & Anti-Corruption, Sanctions Compliance, Modern Slavery and Personal Data Protection have all been addressed as applicable legislations have been introduced.

Awards Received

- Finalist of *Seatrade Maritime Awards 2020*.
- One of the seven recipients awarded for exemplary efforts towards ensuring safer seas.



Left:
Letter of Commendation for Outstanding Contribution to Safety at Sea, *International Safety@Sea Awards 2020*, Maritime and Port Authority of Singapore (MPA).

SPO was a finalist of *Seatrade Maritime Awards 2020*

SPO was one of the five finalists of the Talent Development award, at the 13th edition of *Seatrade Maritime Awards Asia* held virtually in Singapore on 23rd June 2020.



3 | Our People

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	Training and Development
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Our People

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



Total no. of employees worldwide

2,421



Shore-based

332



Seagoing

2,089

We have an exceptionally diverse workforce of various religions and age groups with seafarers coming from 44 countries and regions, shore-based employees representing 41 nationalities and offices in 19 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 employee development, and we continued to do so in 2020, where possible in the midst of the global pandemic.

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 are recognised and appreciated by our clients; it is this reputation for safety, quality and reliability that sets SPO apart from our peer group.

We recognise that when our people are happy and motivated they perform better.

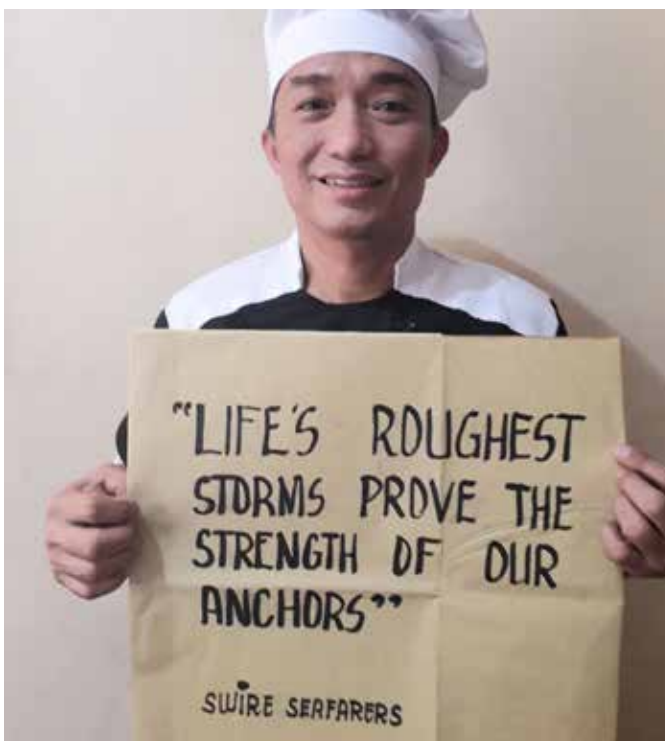
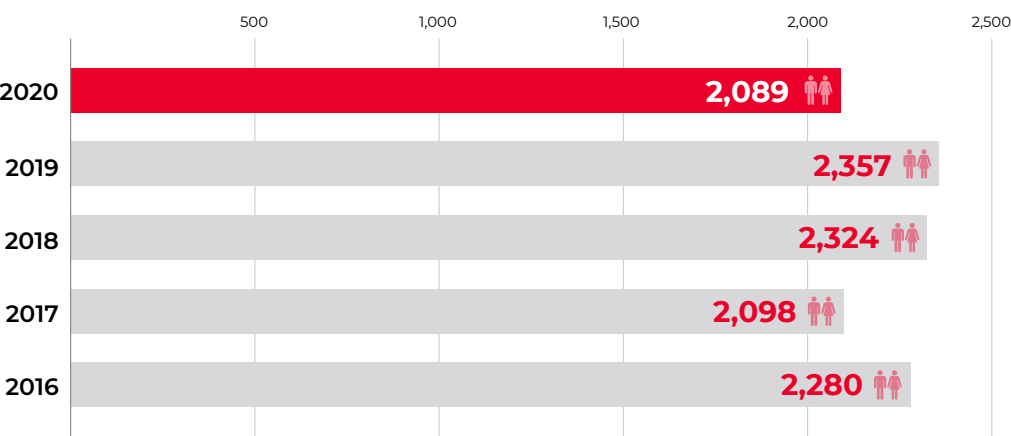


Photo top left, top and above: Matthew Albanus, Master, SPO

Employee Profile

At the end of 2020, SPO employed 2,421 people in various locations around the world. These employees came from 62 countries and regions. 332 of our employees were shore-based, and 2,089 were seafarers.

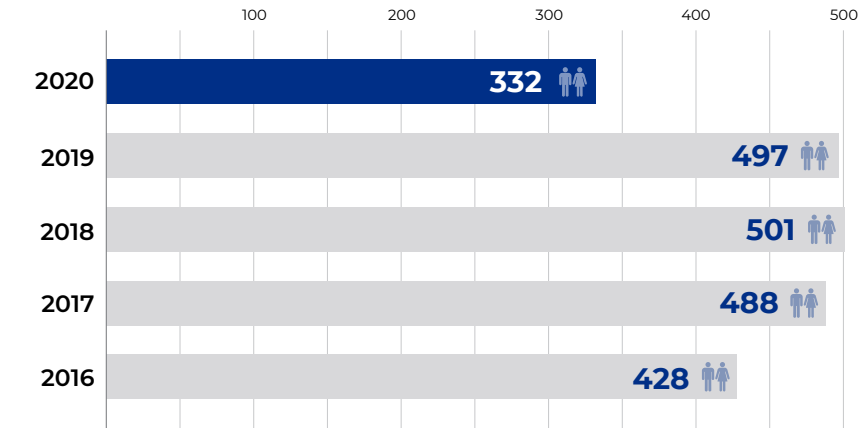
Number of seagoing employees





Photos from top
SPO's three largest office locations by employee numbers:
Singapore; Manila, Philippines; Dubai, UAE

Number of shore-based employees



Photos, from top: Dhruv on Unsplash
Andrey Andreyev on Unsplash
Christoph Schulz on Unsplash

There was a 33.2% reduction in shore-based employees and 11.4% in seagoing employees, due to the sale / transfer of vessels, IPO of SBO, and downsizing of the business due to the reduction in fleet size.

Our shore-based employees were based in 19 countries and regions around the globe, with four key* locations as follows:

Key locations

Denmark**	48	14.5%
Philippines	52	15.7%
Singapore	149	44.9%
United Arab Emirates	37	11.1%

*Key or significant locations are defined as having 5% of total number of employees and above

**SBO / Cadeler figures included as per the organisational boundaries diagram (till 27th November 2020)

Our shore-based employees were based in 19 countries and regions around the globe.

With the remaining 13.9% being based in Angola, Australia, Brazil, Brunei, Cameroon, Equatorial Guinea, Ghana, Indonesia, Malaysia, New Zealand, Qatar, Taiwan region, United Kingdom and United States. See page 46 for full breakdown by office location.

81.9% of our shore-based employees were classified as “local” in 2020. We define “local” as a national or permanent resident of the country of employment. The balance of 9.3% are classified as “expatriates” and 8.7% being contract employees.

Note that 16% of our expatriate employees are our parent company’s managers on rotation every three to five years or so across the wider Swire group. The rest have necessary industry specific competencies, very often ex-seafarers, and generally are long-term career managers serving with the Company worldwide.

91.3% of our shore-based employees were employed on a permanent basis¹ with the remaining 8.7% being on temporary contracts. 98.5% of our shore-based employees were on full-time employment contracts.



Out of the total shore-based employees 27.7% were in managerial positions with the remaining 72.3% in support roles. Breakdown of shore-based employees by employment contract and type as well as employment level and age group are provided in the *Data* section on page 136.

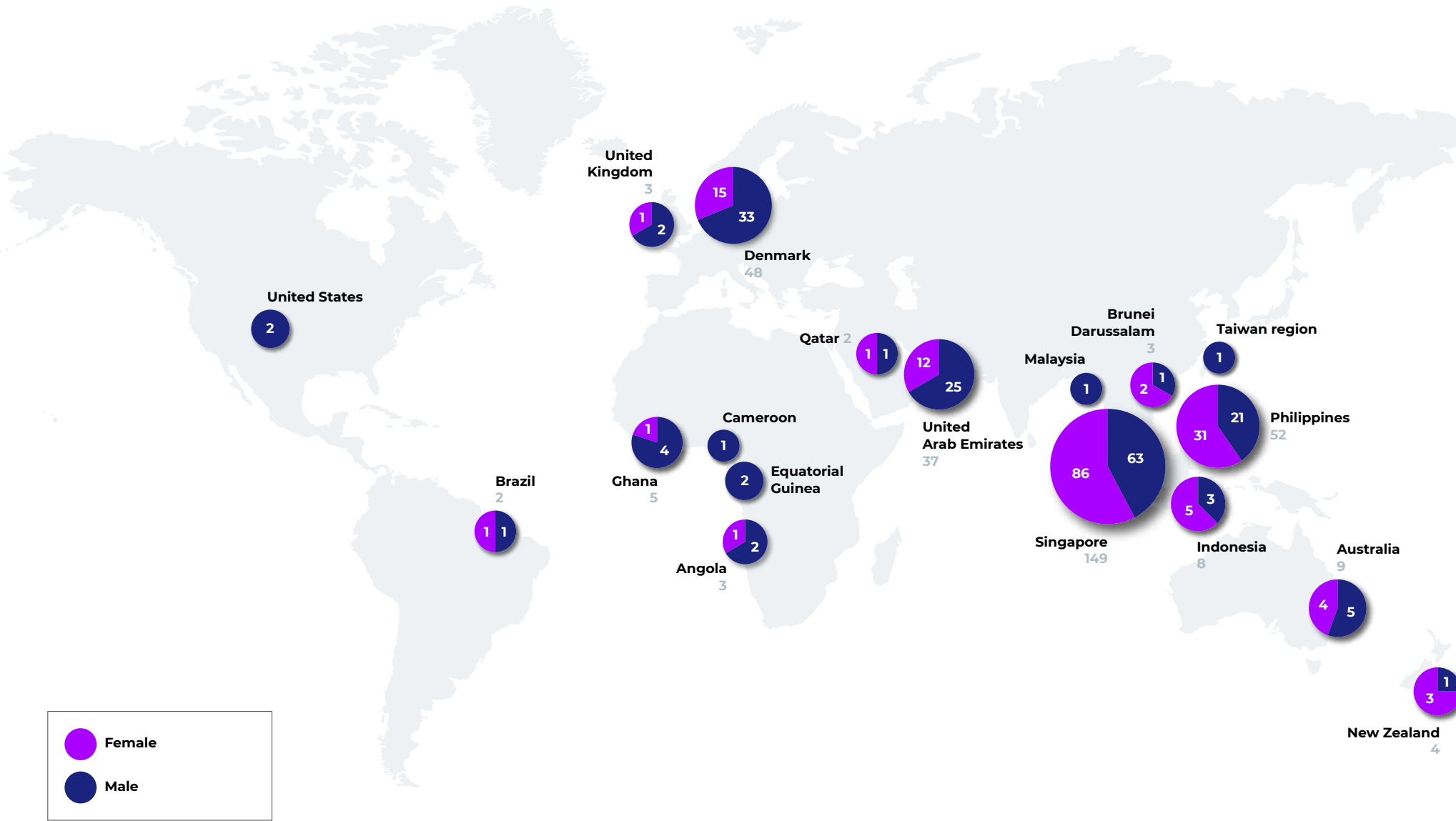
All the seagoing employees of SPO are employed through dedicated industry-specific (and often geographically specific) manning companies, which are either wholly owned by SPO or have a direct contract with SPO or SPSM as their principal.

They are regarded as in-house, long-term employees² 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 ILO Maritime Labour Convention. Collective Bargaining Agreements were in place for the SBO employees and Enterprise Bargaining Agreement for Australian seagoing employees. At the end of 2020, SPO had 21.9% of seagoing employees employed on permanent basis.

¹Permanent is defined as a contract with an employee, for full-time or part-time work, for an indeterminate period.

²Notwithstanding 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”.

Shore-based Employees
Breakdown by office location



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 have 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 and Inclusion (“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 workplace. Our commitment to promoting diversity in the workplace is documented in our Corporate CoC, as well as our People Policy and Diversity and Inclusion Standard Operating Procedure (SOP), which are a part of our Corporate Governance Manual (CGM).

SPO has a D&I Committee in place, which is responsible for drafting the relevant policies and procedures and implementing them at the company level. Our Flexible Work Policy was introduced early in 2020 to support a productive, diverse and inclusive working culture.

Workplace Diversity and Inclusion (“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 workplace.

We have an exceptionally diverse workforce of various religions and age groups with seafarers representing 44 countries and regions while shore-based employees representing 41 nationalities. With offices in 19 countries and regions around the world D&I is a material issue for SPO. We work towards ensuring that we have a cohesive, value-adding team, and that everyone is treated with respect.

In 2020, of the shore-based employees, 51% were male and 49% were female. This balance has been very consistent over the past five years, with a small fluctuation of 2-3% demonstrating a stable and proportionate overall distribution by gender identity.

Breakdown of shore-based employees by gender identity

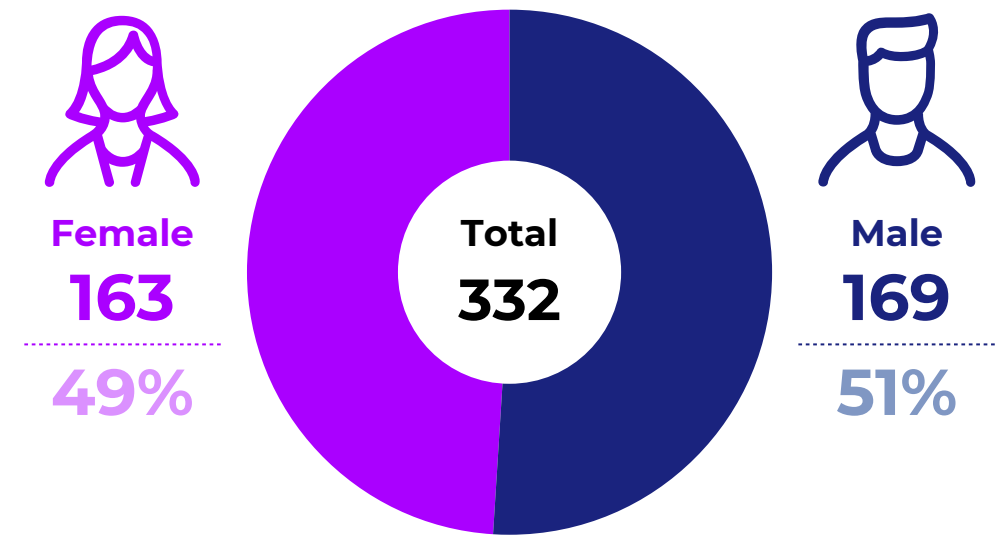
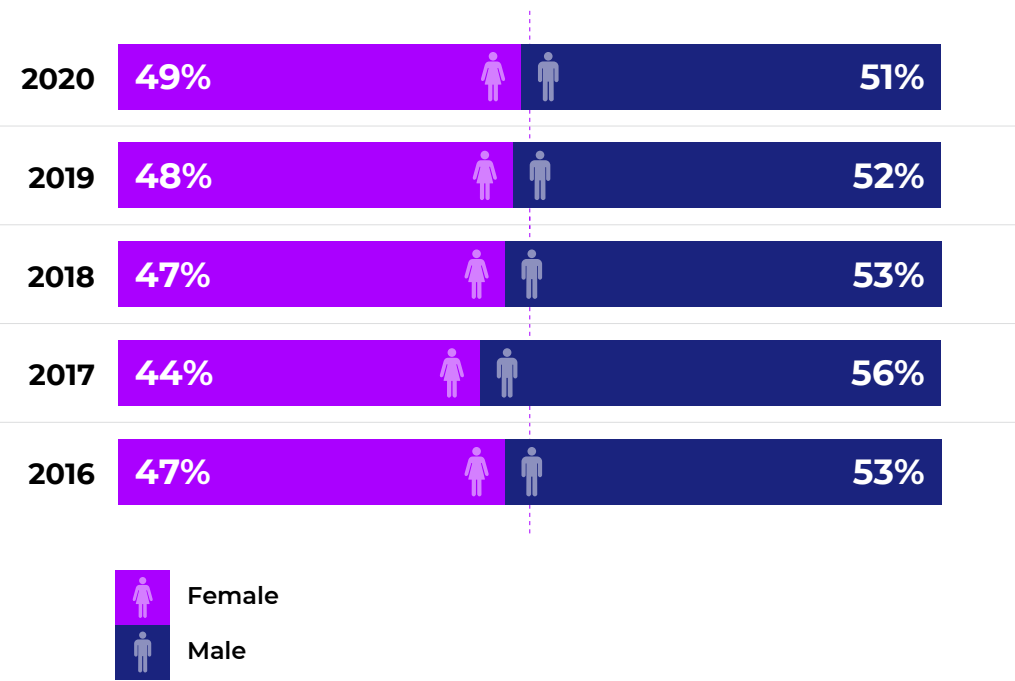
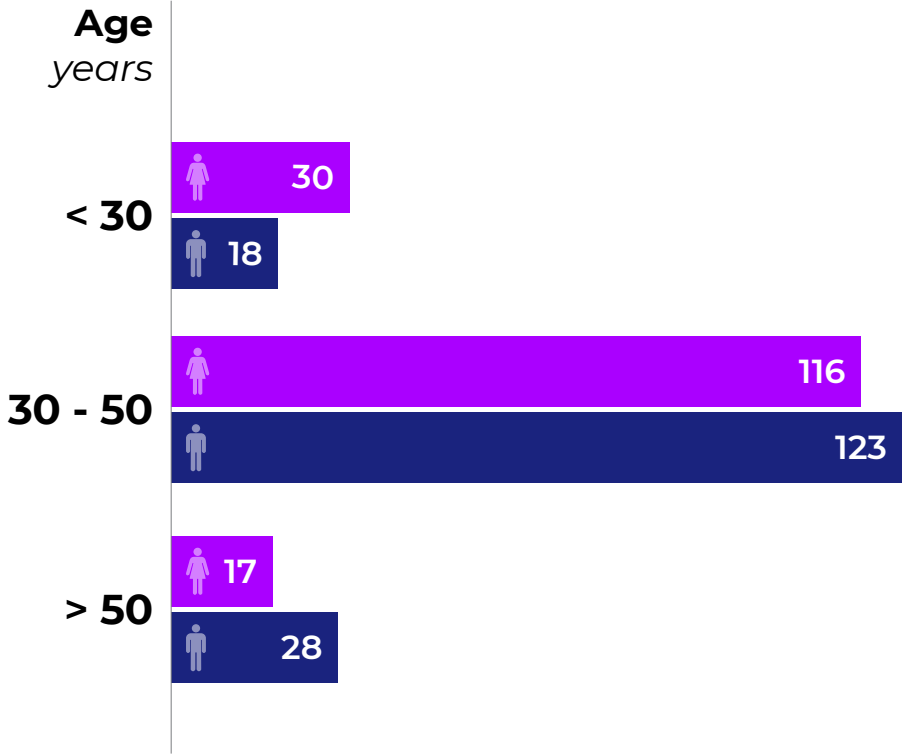


Photo by Kumiko Shimizu on Unsplash

We have an exceptionally diverse workforce of various religions and age groups with shore-based employees representing 41 nationalities.



Shore-based employees by gender identity and age group





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

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.*

*International Maritime Organisation (IMO)
<https://bit.ly/3doU6D7>

Among our seagoing employees, there were 19 females, which is only 0.9% of the total number of seafarers.

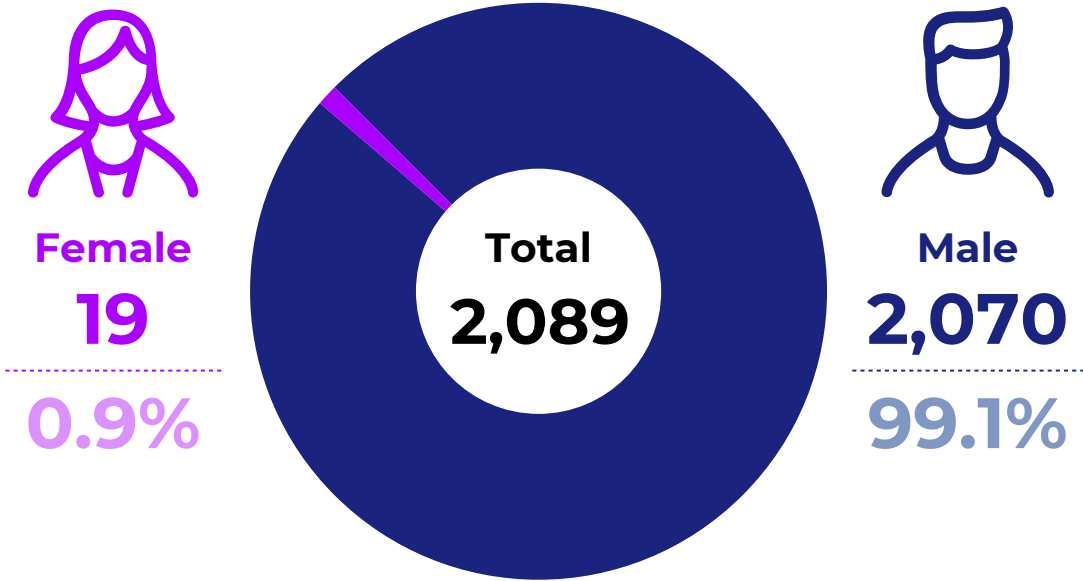
We continue to encourage more women to join the SPO fleet by creating a culture where women can feel safe and are supported. In addition to our policies we provide a Confidential Whistleblowing Hotline to deal with any potential harassment or discrimination issues.

We are pleased to report that there has been only two cases of harassment or discrimination confirmed out of eight reported in the last three years. This is obviously two too many, but simultaneously the very low incidence speaks to a mature and respectful workforce.

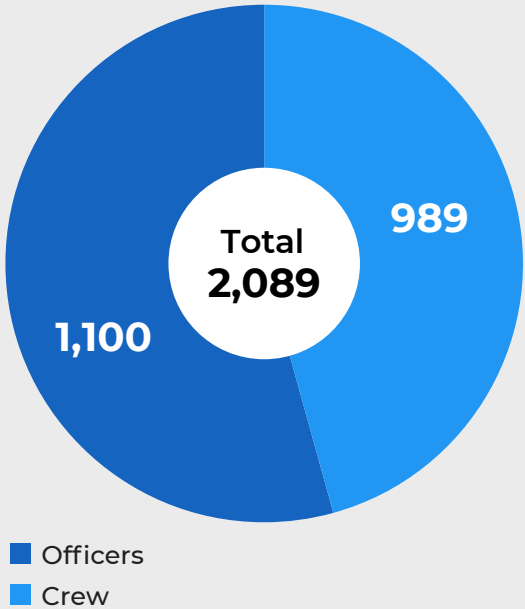
We have a People Policy and a Diversity and Inclusion SOP, which aim to embed positive diversity, equality and respect of all into all our operations to ensure that we benefit from a welcoming, positive, innovative and outperforming work environment, which is essential to SPO's continued success. We run "Preventing Harassment and Discrimination in the Workplace" training module for all 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 and then continues to shift further in the over 50 age group.

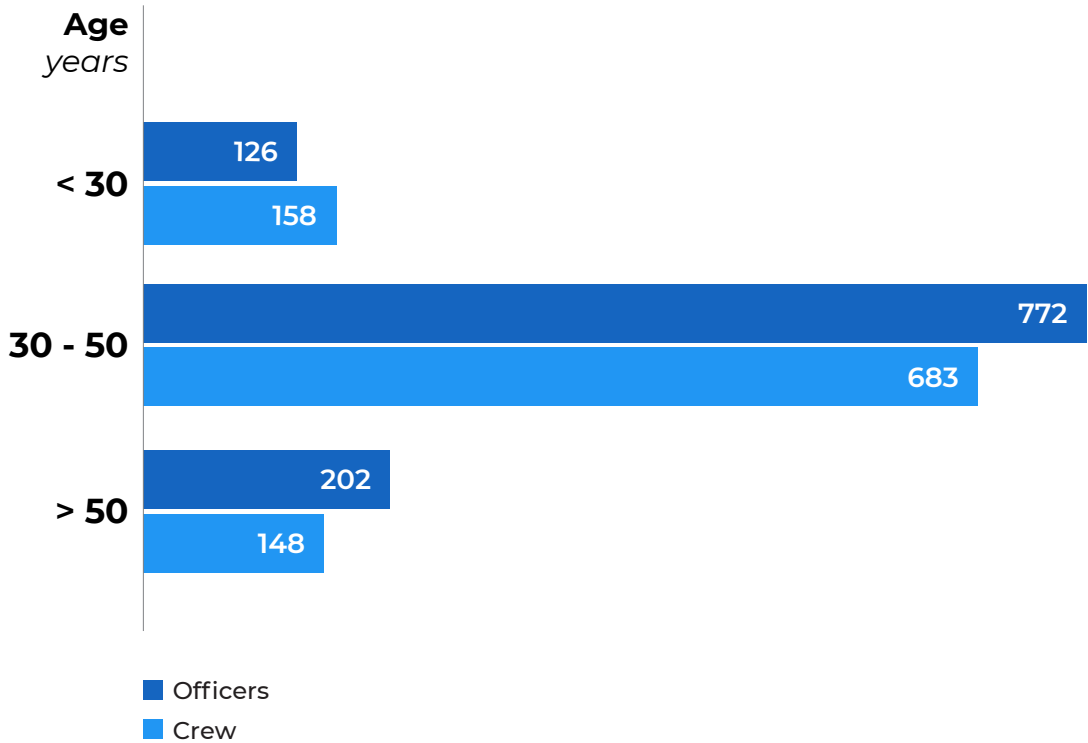
Seagoing employees by gender identity



Left: Photo by Matthew Albanus, Master, SPO | Background: Photo by Greg Becker on Unsplash



Seagoing employees by job category and age group

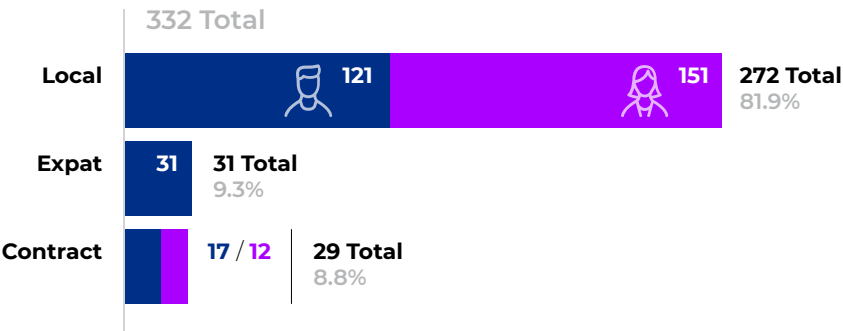


Number of shore-based employees broken down by gender identity and job type / level

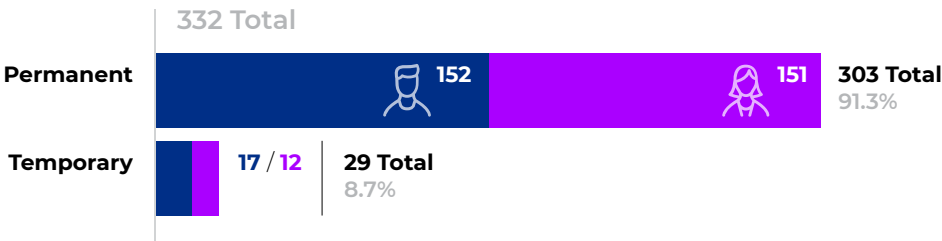


Photo by Mike Enerio on Unsplash

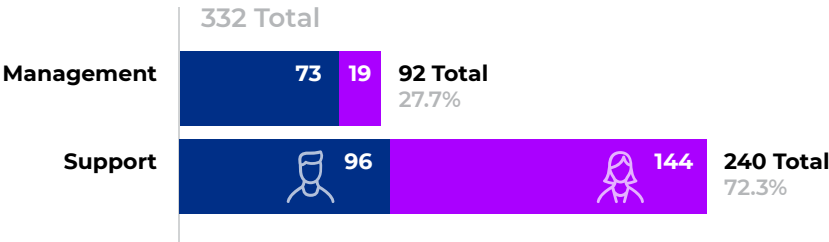
Type of contract



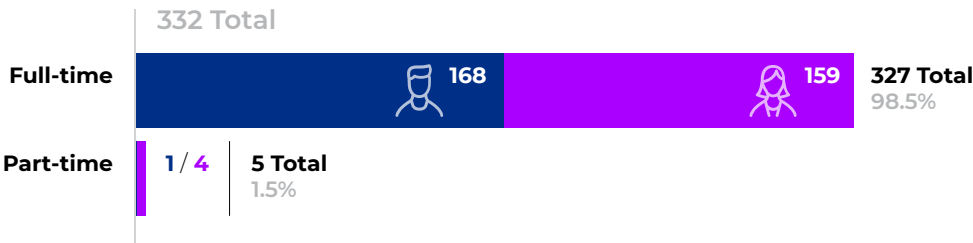
Type of employment



Level type



Full / Part-time





SPO's Management team works to provide equality of opportunity to all of our employees wherever they are based and ensure that there is no discrimination on the basis of educational background, or life experience.

Breakdown by employment level and gender remains significant, as there are four times more men in managerial positions than women (79% vs 21%).

Gender equality is one of Swire group's and SPO's Diversity & Inclusion focus areas. We acknowledge that this will be a journey and SPO's Management team is committed to work towards narrowing the gender gap at all levels and ensuring that gender barriers and biases are eliminated. The first step to effect change is to raise awareness.

We have started to analyse our shore-based employee demographics and communicate it internally. We have seen an increase in the percentage of females in Senior Manager roles from 19% in 2019 to 31% in 2020. See page 136 for statistics showing further breakdown of shore-based employees by employment contract and employment type, employment level and age group.

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

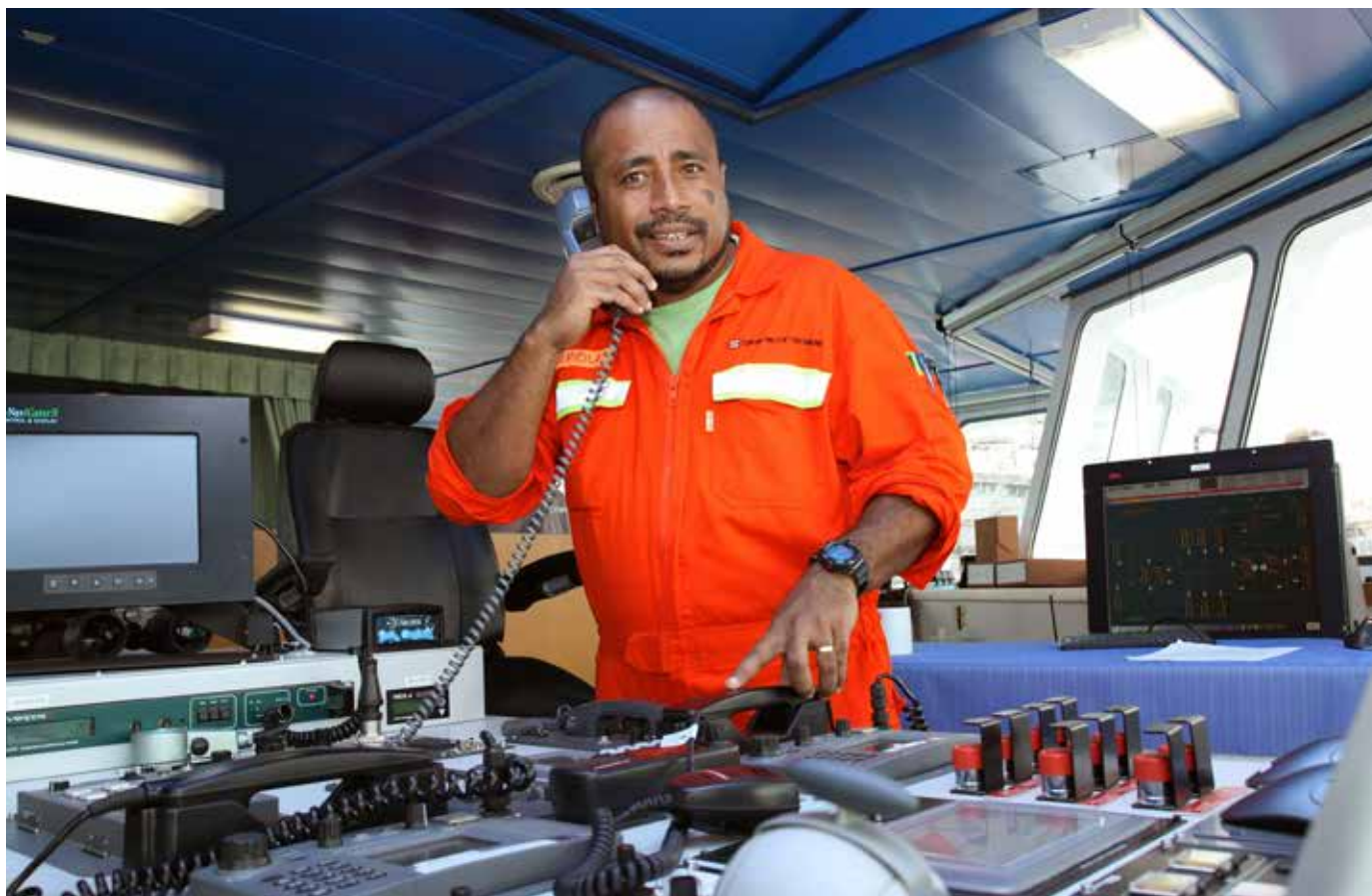
SPO is a member of the Women's International Shipping & Trading Association (WISTA) Singapore chapter. WISTA is an international networking organisation whose mission is to attract and support women, at the management level, in the maritime, trading and logistics sectors. We are also a member of DIAN through our parent company in Hong Kong SAR. (DIAN, the Diversity & Inclusion in Asia Network 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 and 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.

Photos by Matthew Albanus, Master, SPO

Retention and Turnover

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



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

The retention rate for seagoing employees decreased in 2020 due to the downsizing of the business and sale / transfer of vessels and the IPO of SBO in November 2020. The retention rate fell down to 75.2% from 95.2% in 2019.

For our shore-based employees, the retention rate has also decreased to 72.3% from 85.5% the year before.

Retention rates for both shore-based and seagoing employees covering voluntary vs. involuntary departures, is included in the *Data* section.

Turnover by key location was also high for selected countries and regions but mostly because of the small number of regional employees. Singapore continued to have a high turnover rate (at 44%) 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> HRD Asia website

For details on the new hires and turnover rate by age group, gender identity and region see the *Data* section.

Employer of Choice

SPO has been shown to be an 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 2020, we issued 86 awards to employees ashore and at sea for lengths of service from 10 to 35 years. These represent a total of 1,405 years of service for awards given in 2020.

The average length of service was 7.74 years for shore-based employees and 7.96 years for seagoing employees.

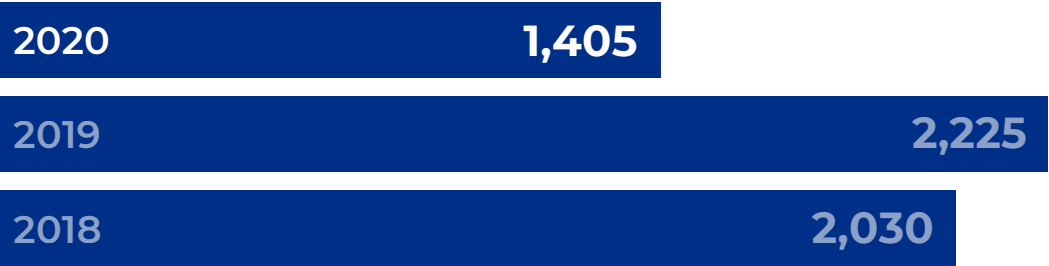
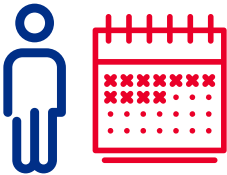


Long Service Awards

Years of Service	Shore	Sea	Total
10 years	34	4	38
15 years	11	6	17
20 years	14	0	14
25 years	4	1	5
30 years	2	9	11
35 years	0	1	1

In 2020, we issued 86 awards to employees ashore and at sea for lengths of service from 10 to 35 years.

Years of service for the past three years



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. 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.

All of our employment contracts comply with relevant local employment laws.



Photo by Matthew Albanus, Master, SPO

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 seagoing employees and medical insurance for shore-based employees (depending on their contract), and for all seagoing employees: general accident insurance and paid pension arrangements or cash in lieu thereof.

For relevant 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. For the majority of seagoing employees (96.9%), pay is benchmarked to the market with pay increases awarded based on industry benchmarks, attrition and the Company's performance.

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 each group.

We encourage 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 onboard a vessel. The performance reviews for the Masters and Chief Engineers are conducted by the Fleet Operations and Technical Directors. The appraisal reviews at 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 incorporated into the recognition and promotion programme.

For shore-based employees, performance management is done using the internal *SwireConnect* platform. 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 structured 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.

Top: Photo by Matthew Albanus, Master, SPO

Swire Leadership competencies and Swire values are the basis of the structured competency-based interview and performance management framework used in SPO.

Commitment to Training and Development



SPO recruits, trains and develops our talented 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, Swire Marine Training Centre (SMTC), provides seafarers with 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 and the impact of COVID-19, our commitment to training and development of our seagoing employees remained very high. As a result of COVID-19 restricting physical travel from around the world to SMTC in Singapore, we moved the majority of our theory-based training online. Webinars are hosted by SMTC Training Instructors and Fleet Operations Superintendents and are delivered via the Microsoft Teams platform. Training covers various subjects ranging from "Manual Handling" to "Risk Assessments". We have over 25 different subject matters in our webinar title range.

As a result of COVID-19 restricting physical travel from around the world to SMTC in Singapore, we moved the majority of our theory-based training online.

We have revisited and revised our internal course offerings and streamlined this for 2021 and beyond. We intend to run practical courses when travel allows, but as has been demonstrated in 2020, this can and will be done alongside existing webinars.

Over the 12 months of 2020, we trained 2,414 seafarers on various courses by SMTC instructors, equating to a total of 4,301 training hours. This represents a 77% y-o-y increase in the number of people trained in 2020. The total number of seagoing employees who attended discretionary courses across various geographies was 3,856 with the overall number of training hours being 32,017 (inclusive of SMTC-led course figures). While this represented a reduction from 73,048 training hours in 2019, we managed to cover a larger number of seafarers. The non-discretionary courses were attended by 817 employees with 26,420 hours of training spent.

Due to the difficult economic conditions, formal training for shore-based employees was put on hold. We continued to run internal compliance related training. During the pandemic, various industry bodies were offering free webinars on a variety of topics, which were attended by our Technical and Operational Managers. Shore-based employees continue to have access to an extensive selection of online courses on software, creative, and business skills through our e-learning portal, *Percipio*.

Training cost as a percentage of the wage bill for the two employee groups in a COVID-19 travel restricted year was as follows:

Shore-based: 0%

Seagoing: 1%

This is a function of incurring no air travel, hotel accommodation and subsistence costs versus the existing instructors as a sunk cost running internet-based webinars where possible, and postponing the courses that must be undertaken physically to a time in the future when global travel is once again possible.

Career succession planning is an important element of SPO's strategy for achieving our 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.



Over the 12 months of 2020, we trained 2,414 seafarers on various courses by SMTC instructors, equating to a total of 4,301 training hours.

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).



In order to ensure that SPO's vessels are manned with dedicated, qualified and proficient seagoing personnel, SPO established an in-house Competence Assurance Department (CAD) in 2013.

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 and sailing on SPO's vessels. Nationalities include British, Filipino, Mexican, Ghanaian, Taiwanese, Papua New Guinean and Singaporean among others.

Training is also provided on board SPO's vessels by our own Fleet Operations Superintendents and Cook Trainer, 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.

SPO has a 15-day "Cooks' Upgrade" course in conjunction with staff at the United Marine Training Centre (UMTC) in Manila. This course is delivered at the Catering Upgrade Facility at UMTC, which was specifically designed and built for this purpose. The course is attended by our cooks from all regions and nationalities and is well received by all attendees.

However, most of the regular in-person courses detailed above were on hold since March 2020 because of the pandemic and border closures.

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
- Nautical Institute (NI) Dynamic Positioning (DP) courses
- Back Deck Safety
- Culinary Courses
- Cadet Induction
- Wellness at Sea (W@S) Training
- Fleet Operations Superintendents Onboard Training
- Cook Trainer Onboard Training
- Webinar (online) based Training

The CAD team is actively involved with our Cadet training process: from recruitment of the Cadets through to their graduation from college.

Employee Wellbeing during the Global Pandemic

We operate systems to prevent work-related ill health, to check that employees are fit for duty as well as promote employee health and wellbeing. 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.



Many of our seagoing employees were on board for an extended period due to the travel bans and lockdowns imposed during the pandemic.

The COVID-19 pandemic had a very significant impact on the marine industry. Travel restrictions imposed by governments around the world created substantial hurdles to crew changes and repatriation of seafarers, therefore impacting human rights of our seagoing employees. Carrying out crew changes with constantly changing regulations and restrictions in different countries, often changing daily in the early days of the pandemic, was a major hurdle.

Many of our seagoing employees were on board for an extended period due to the travel bans and lockdowns imposed during the pandemic. Not only were commercial flights scarce, movement of people was very restricted. We tried to secure return charter flights when they became available. Getting visas for seafarers from various countries of origin was another big hurdle.

Rushing visa applications using any channel possible put a lot of strain on our Manning teams, as everything had to be in order before seafarers could board chartered flights. Working in close collaboration with embassies and airlines was the key to getting our seafarers home. Another hurdle was arranging accommodation during transit in countries with visa restrictions.



Participants of the *Wellness at Sea* course at the ASSM training room, Manila.

SPO partnered with the Sailors' Society to establish a dedicated crisis helpline and supporting 'chat' application for all seagoing employees. Both services can be used by any employee who may be experiencing personal difficulties.

***Wellness at Sea* course made available online**

SPO partnered with the Sailors' Society to establish a dedicated crisis helpline and supporting 'chat' application for all 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.

Running in conjunction with this initiative is a three-day *Wellness at Sea* course, which consists of five modules: social wellness, emotional wellness, physical wellness, intellectual wellness and spiritual wellness. Participants engage in practical and theoretical exercises and have the opportunity for self-reflection.

Following a trial run at SPO's Head Office, we successfully ran two courses at Anscor Swire Ship Management ("ASSM") in Manila. The feedback from participants thus far has been extremely positive and we are very excited about the impact that this topic has the potential to make throughout our fleet.

In light of the COVID-19 pandemic and the restrictions that have been enforced around the globe to mitigate the spread of the virus, we had to postpone a number of our practical, hands-on courses. During these unprecedented times, the wellbeing of our colleagues at sea remains our top priority which is why this course was moved to an online platform.

From April to December 2020 we arranged for 6,358 crew movements. At the end of December 2020, we had only 60 crew onboard over 30 days past their normal tour length. The cost of crew changes also increased materially due to the higher flight costs and quarantine requirements. SPO covered all expenses associated with getting our seafarers on and off our vessels safely. The article on 'Challenges of crew change during the COVID-19 pandemic' provides a personal reflection on the problems our Manning teams had to overcome.

In our effort to look after the wellbeing of our seafarers, we doubled the internet bandwidth on the vessels so they could keep in regular contact with their families. Communication with the vessels also played a major part in managing the crisis. We instigated fortnightly Microsoft Teams calls with the Masters on the vessels and

at home, we then extended this to all senior officers as well. As Management could no longer visit the vessels in person, virtual Management visits were held. This was all centred on keeping the employees abreast of the latest developments.

SPO has in place a dedicated crisis helpline in partnership with the Sailors' Society. The helpline and chat function are available around the clock and are staffed by professionally trained advisors and counsellors. All correspondence and communication remain strictly confidential.

Both services can be used by any employee (onshore or at sea) who may be experiencing personal difficulties and would like help, advice and support from a third-party. This service goes hand in hand with the 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. Our dedicated crisis helpline in partnership with the Sailors' Society was extended to include the seafarers' families as well.

In January 2021, along with over 300 other companies and organisations, SPO signed the Global Maritime Forum-initiated Neptune Declaration on Seafarer Wellbeing and Crew Change (the "Neptune Declaration") in a worldwide call to action to end the unprecedented crew change crisis caused by COVID-19.

SPO implemented Flexible Work Policy arrangements for our employees globally. The Policy was developed taking into consideration the results from the pulse surveys. Flexible Work Arrangements were rolled out in September 2020.

WELLNESS AT SEA

WELLNESS SUPPORT FACT SHEET FOR SPO SEAFARERS AND FAMILIES

Workplace wellbeing relates to all aspects of life, from the quality and safety of the physical environment, to how you feel about your work, your working environment, the climate at work and work organisation. The aim of measures for workplace wellbeing is to complement Occupational Safety and Health (OSH) measures to ensure employees are safe, healthy, satisfied and engaged at work.

This can already be challenging but with the COVID-19 pandemic, we appreciate that staying well might be more difficult. You may be feeling anxious, stressed, sad, bored, depressed, lonely or frustrated, and finding it difficult to cope at work and at home.

Swire Pacific Offshore (SPO) has partnered with maritime welfare charity Sailors' Society to provide an independent wellness support line to its seafarers and families. This is in addition to existing in-house Employee Assistance Programme (EAP).

SAILORS' SOCIETY	WELLNESS SUPPORT LINE
<p>Founded in the UK more than 200 years ago in 1818, Sailors' Society is a global maritime welfare charity dedicated to caring for merchant seafarers, their families and communities.</p> <p>We reach out to them where they work, on board the huge variety of cargo and cruise ships in many of the world's key ports, and to their families and communities at home.</p> <p>Our chaplains, ship visitors, family outreach officers and volunteers help hundreds of thousands of seafarers each year. We extend a hand of practical help, friendship, hospitality and pastoral care to everyone we meet. We were one of the first in the maritime sector to offer an in-house seafarer mental health support and awareness initiative – our pioneering Wellness at Sea programme. This award-winning programme has now been expanded to Wellness at Home and Wellness at Work.</p>	<p>1. What this service is about</p> <p>Many times we need and want to reach out to someone who is there to listen to us and for various reasons, it's not possible or it does not feel safe to talk to our family, friends or colleagues. What we need is someone who understands our point of view and is non-judgmental. This is the aim of the support service – to provide a safe and confidential environment where you can share your concerns and worries.</p> <p>2. What this service is not</p> <p>This is not a counselling service. It is not meant to replace the services of a trained counsellor, psychologist, psychiatrist and any other allied health services. It is possible that you could be encouraged to seek further professional assistance.</p>

Continued over page

SWIRE PACIFIC OFFSHORE

Sailors' Society

CRN
CRISIS RESPONSE NETWORK
SAILORS' SOCIETY

DON'T SUFFER IN SILENCE

Accidents, piracy, bereavement... When crisis hits, it's easy to feel out of control.

Our Crisis Response Network can help you get back on your feet. Whether you need medical help, someone to visit your family, or just someone to talk to, we're here for you.

Our free, confidential service is available all around the world, 24 hours a day.

Email crisis@sailorsociety.org
www.sailors-society.org/support-for-seafarers

Dedicated SPO helpline:
Call our 24/7 helpline on +1 856 888 9966 for free, confidential advice and support or visit www.wellnessatsea.org/swire-pacific-offshore.

SWIRE PACIFIC OFFSHORE

Sailors' Society

WELLNESS AT SEA

WELLNESS HELPLINE FOR SPO SEAFARERS AND FAMILIES

FAQS

Who is the helpline for?
This 24-hour, confidential helpline has been specially set up for Swire Pacific Offshore seafarers and families to offer support through this challenge. From relationship problems to health or money worries, the helpline's trained responders will be able to listen, advise and support you.

How do I access the helpline?
There are two ways to get in touch, a telephone hotline and an instant chat (messaging) facility.

- Call us: You can call us at the published number in the user guide provided.
- Instant chat: We understand that there are times when people can't or don't want to speak in-person with a responder, so you may prefer to write to us using instant chat. Simply go to www.wellnessatsea.org/swire-pacific-offshore. You will find a link and an icon to activate the chat. You can use a mobile phone, a laptop or a tablet. For easy regular access, you might like to save the web page to your home screen.

Who staffs the helpline?
The helpline team is staffed by employees of maritime charity Sailors' Society. The team can offer compassionate support to help you through whatever challenge you are facing. All responders have received training in peer-counselling, mental health awareness, stress management and have experience in providing pastoral care to the maritime community.

Should a situation require more specialised support, the team also has access to responders trained in psychological first aid and mental health first response, trauma incident reduction and trauma recovery and healing, and/or can refer you to other agencies for additional support.

All conversations are confidential unless we are concerned that you or others are at immediate risk of harm, in which case we are obliged to contact the necessary authorities.

Continued over page

SWIRE PACIFIC OFFSHORE

Sailors' Society

The helpline and chat function are available around the clock and are staffed by professionally trained advisors and counsellors.

Challenges of crew change during the COVID-19 pandemic



COVID-19 proved to be a challenge for everyone and the shipping industry is no exception. Doing crew changes with constantly changing regulations and restrictions in different countries was definitely one of them. Not only were commercial flights scarce, movement of people was very limited.

One of such experiences was with our vessels working in Trinidad and Guyana. The crew were on board for an extended period due to the travel bans and restrictions imposed during the pandemic. One can only imagine how stressful it can be working away from their families for a long time, in the middle of the sea, with no definite date of when they can return home to their loved ones. With this situation on hand, thinking out of the box is definitely necessary in order to keep things moving.

The window of opportunity came when the information was received that a return charter flight was being arranged from Amsterdam to Port of Spain. The first roadblock was getting people to Amsterdam as only certain nationals were allowed to enter. On top of that, we had to consider the qualifications required for each vessel and this added to the piling obstacles.

Once replacements were identified, we then charged head-on to the next roadblock – getting seafarers signing off the vessels home. The crew were a mix of several nationals: Filipino, Singaporean, Montenegrin, Indian, Sri Lankan, South African, British, Irish, Polish, and New Zealander.

Continued on next page

COVID-19 proved to be a challenge for everyone and the shipping industry is no exception. Doing crew changes with constantly changing regulations and restrictions in different countries was definitely one of them.

Challenges of crew change during the COVID-19 pandemic *cont.*



With all these ongoing planning, arranging and revising schedules, flights and accommodation, it did not help that we were working on different time zones.

The major hurdle was getting valid visas to enter Amsterdam. We had to contact the corresponding embassies and border controls in order to secure permission to enter the country. It was a tedious task of finding out the right contacts, calling and emailing for requests, and following up with the relevant authorities for answers. Everything had to be applied for and obtained before they could be allowed to board the charter flight, which only had limited flight dates.

The next hurdle was getting the onward flights from Amsterdam to the home ports of the crew. Most of the airlines were still not operational and even if we can find flights, cancellations were highly probable. We had to find flight paths like connecting dots across the globe. Thankfully, there were special charter flights arranged by embassies and airlines to help their fellow citizens go back home.

The last hurdle to beat was the arrangement of accommodation. Crew who did not have valid visas to enter Amsterdam were only allowed to stay in the transit area while waiting for their onward flights. There were two hotels in the area but only one hotel was open. Securing rooms was tough. We had to continuously monitor and grab the opportunity at first sight of booking cancellations.

With all these ongoing planning, arranging and revising schedules, flights and accommodation, it did not help that we were working on different time zones. Many days we worked to the wee hours of the night and even times when we barely had any sleep. Thinking about everything that needed to be done was enough to keep us awake.

We really appreciate our seafarers for bearing with us, trusting us, giving us their patience, and staying strong amidst all that are happening in those turbulent times.

Pulse Survey Results

SPO published two COVID-19 “pulse surveys” for shore-based and seagoing employees to gather feedback on the Company’s response and efforts in managing the COVID-19 pandemic. The results helped SPO to understand views on the Company’s response, measures and communication efforts.

Responses from seagoing employees

The results showed that SPO’s seafarers felt that the Company responded appropriately and in a timely manner when implementing precautionary measures to safeguard the health and safety of our employees, and there was a high level of care and consideration demonstrated by SPO’s Management, the outposts as well as the reporting managers on board vessels.

The Company’s communication efforts such as circulars, manuals and emails in response to the rapid developments of the pandemic were also adjudged to have been adequate. SPO implemented a weekly ‘Captains’ Call’ with the Masters on board to keep lines of communication open (later extended to all senior officers). This initiative received good feedback from the seagoing employees. The majority of SPO’s seafarers preferred communication and updates to be delivered once a week, followed by updates on an *ad hoc* basis.



The majority of SPO’s seafarers supported SPO’s decision to suspend crew changes during the outbreak of the pandemic as it ensured the safety of the employees on board. They also felt that with most countries under lockdown, travel bans and cancellation of international flights, crew changes were difficult and could have put seafarers’ lives at risk should they need to travel through countries to get home.

Some concerns were raised on the suspension of crew changes and how being stranded on board indefinitely can negatively affect employees’ mental health and wellbeing. Some also experienced more fatigue, stress and anxiety during the pandemic as they were constantly worried about their family members at home.

The top three challenges reportedly faced by SPO’s seafarers:

- General anxiety about the impact of COVID-19 on their lives
- Crew morale on board
- High level of personal stress experienced due to COVID-19

The top three concerns reportedly faced by SPO’s seafarers:

- Wellbeing of their family
- Financial stability
- Job security

SPO’s responses included the following:

- Reinstating crew changes once travel restrictions were lifted, and implementing self-isolation of crew in hotels before joining the vessels.
- In March 2020, SPO increased the bandwidth on board our vessels to allow our seafarers to stay in touch with their family members.
- The HSE team created a dedicated COVID-19 folder in ORBIS which consolidates useful tips, guidance and supplementary resources for seafarers.
- ASSM seafarers who have been on extended unpaid leave and were not able to join the vessels due to COVID-19 restrictions were able to apply for an emergency loan.

Words of encouragement

Good communication and positivity are a must during a crisis. COVID-19 is not all about cases and fatalities, and although the pandemic has caused much disruption in everyone's lives, it has also brought out many positives and strengths.

What else can COVID mean?

Care
Optimism
Vulnerable
Ingenuity
Determination



Responses from shore-based employees

Shore-based employees also indicated that the Company has responded appropriately and in a timely manner in implementing precautionary measures during the pandemic.

Employees felt that they received a high level of care and consideration from their reporting managers and SPO's Management team. Communication efforts such as circulars, manuals and emails in response to the rapid development of the pandemic were adequate and well-managed.

The majority of shore-based employees preferred communication and updates to be on an *ad hoc* basis, with the next popular choice to have updates once a week.

Remote working arrangements were appropriate in view of the COVID-19 pandemic and employees felt well-prepared and productive.

The top three challenges reportedly faced by shore-based employees:

- Communication with co-workers
- General anxiety about the impact of COVID-19 on their lives
- Access to the tools or information needed to work remotely

The top three concerns reportedly faced by shore-based employees:

- Uncertainty of the industry outlook
- Wellbeing of their family
- Job security

In general, the respondents applauded the Company's proactive efforts in managing the pandemic.

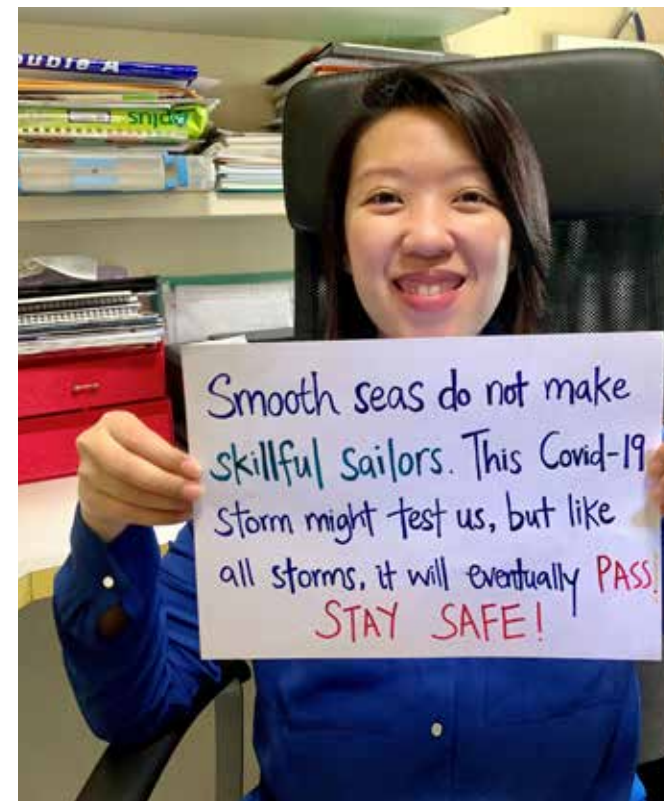
SPO's actions included:

- SPO's HR team created a COVID-19 folder in the Company's intranet, Sharepoint portal. The folder consolidated COVID-19-related information such as internal memos, HR email circulars, daily media reports, guides and useful links.
- SPO's Management team launched a Return-to-Work procedure with guidelines.
- Bi-weekly Business Continuity Plan (BCP) meetings were conducted by SPO's Management team, HSE and Manning teams to discuss crew change, commercial and operational updates, and action plans.
- Outport General Managers and Country Managers continued to maintain close communication with their teams working remotely from home.

The second pulse survey was focused on virtual leadership, communication between team leaders and their teams, preferred communication platforms, stress levels and key concerns of employees and areas for improvement. Results were analysed and further areas for improvement identified and addressed.

Communication levels were elevated with the weekly "Captains' Call", regular letters from the MD and updates from SPO Head Office together with Outports Managers calls. The upgraded Internet bandwidth helped to improve seafarer's communication with their families. The Manning team started sending out weekly crew change updates from 15th May 2020, which included updates on crew changes and general developments and information.

For more information on the steps taken to safeguard safety and wellbeing of our employees please refer to *Safety* section of the report.



Mabel Leong, General Counsel, SPO

In general, the respondents applauded the Company's proactive efforts in managing the pandemic.

4 | Safety

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Near Miss and Hazard Identification

Safety

Safety is at the core of everything we do. We continue to work towards our goal of causing Zero Harm to 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 health, safety, security and wellbeing of our people is paramount. During this unprecedented year, our focus on welfare, enhanced security, improved communication and continued professional development reinforced this core value and commitment to providing a safe, secure and injury free workplace.

Whilst adapting to the challenges posed by COVID-19, SPO also embraced the pandemic as a 'catalyst for change'. This was done through implementing key safety initiatives, enhancement projects and interventions to simplify core procedures and drive sustainable change in behaviour.

Whilst adapting to the challenges posed by COVID-19, SPO also embraced the pandemic as a 'catalyst for change'.

Response to COVID-19

When the World Health Organisation (WHO) declared COVID-19 a pandemic in March 2020, we took immediate action to prevent the spread of the virus by implementing strict controls and additional precautionary measures on board. Concurrently we devised 'industry leading' procedures and created a dedicated COVID-19 resource (in ORBIS), which covered:

1. What is COVID-19
2. How to protect yourself and others
3. Tips on temperature taking
4. Director approval process
5. PPE and medical equipment
6. Action(s) to be taken in the event of a suspected case on board
7. Resource – video and posters from The Baltic and International Maritime Council (BIMCO), International Chamber of Shipping (ICS) and WHO
8. Forms including daily temperature logs and health declarations for both SPO and non-SPO employees
9. Safe travel and crew change
10. Process for extension of Certificates

We also upgraded vessel inductions to include reading and acknowledging 'What is COVID-19' and 'How to protect yourself and others' together with watching the video titled Coronavirus 'How to beat it'.

This 'single source of truth' is reviewed and updated on a regular basis and has been further expanded to include guidance from other industry partners including ICS, WHO and Maritime and Port Authority of Singapore (MPA).

Finally, to verify compliance (with the above) we created a COVID-19 compliance audit checklist and commenced remote internal COVID-19 compliance audits completed by our Fleet Operations Superintendents.

Additionally, a designated resource for wellbeing has also been created including posters, podcasts and advice from the Sailors' Society, The Mission to Seafarers digital chaplaincy and Seafarers Health Information Programme (SHIP) on numerous subjects including:

- Managing Stress and Sleeping Well at Sea
- Psychological Wellbeing at Sea
- SHIP FitOnBoard
- Steps to Positive Mental Health
- Steps to Positive Mental Health - BACES
- Steps to Positive Mental Health - Mindful Breathing

SPO also subscribes to the Sailors' Society health and wellbeing app and designated 24/7 helpline.

HELPLINE FOR SPO SEAFARERS AND FAMILIES

Need to talk? From relationship problems to health or money worries, we're here to help. This confidential helpline has been specially set up for Swire Pacific Offshore seafarers and their families and is managed by maritime charity Sailors' Society. The helpline is made up of a telephone hotline and an instant chat facility, staffed 24/7 by trained responders.

The details are:

TEL:
+1 856 888 9966


INSTANT CHAT:
www.wellnessatsea.org/swire-pacific-offshore

HOW TO ACCESS THE SERVICE


INSTANT CHAT

We understand that for many it might be difficult to pick up the phone and call a stranger.

An instant chat line is set up to allow an initial anonymous contact with our responders. If a voice call is needed or requested, the responder can call the person.




On a web browser (using mobile phone, tablet or a laptop/PC), go to www.wellnessatsea.org/swire-pacific-offshore




Next, click on "Chat now" or the blue chat icon on the bottom right of the screen and you will be brought to the chat page.

TELEPHONE HOTLINE


- Dial +1 856 888 9966
- A responder will answer the call and the conversation can begin
- The caller will be asked for his/her name and details of the ways he/she would like to be contacted if needed (telephone number, email address, social media chat IDs)



WELLNESS AT SEA



SWIRE PACIFIC OFFSHORE



Sailors' Society

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

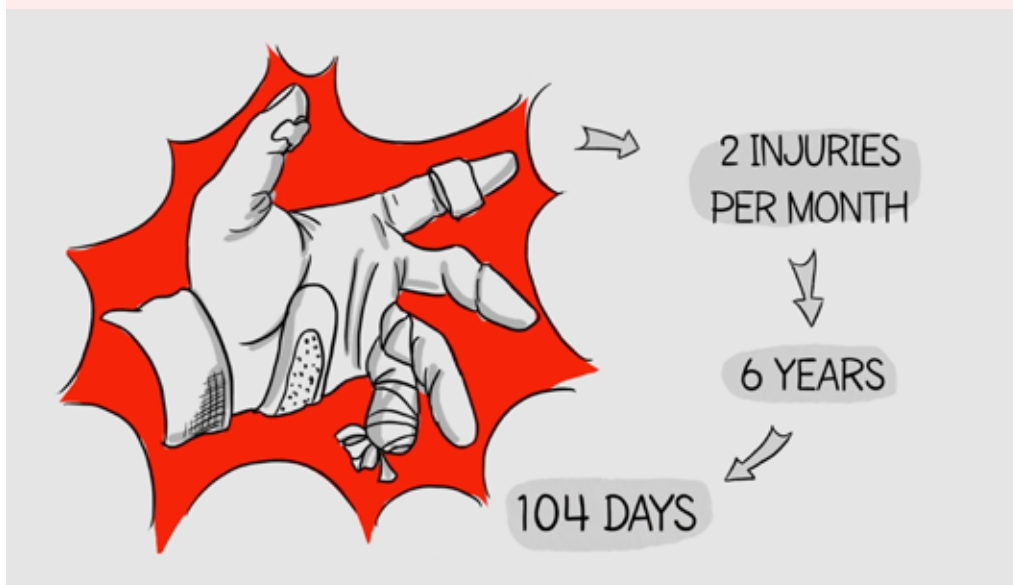
Poster promoting the Sailors' Society health and wellbeing app and designated 24/7 helpline

Hand & Hand Tool safety campaign video

On 15th April 2020, the HSE team launched the Hand & Hand Tool safety campaign video to heighten awareness of hand and finger-related injuries. The video was created as part of ongoing efforts to improve workplace safety.

The Company monitors safety statistics closely and explores new and creative ways to raise the level of safety consciousness among our employees. From 2014 to 2019, 31% of the total injuries recorded were hand and finger-related injuries.

Through animation, safety statistics and portrayal of real-life SPO incidents, the video drives home the message that safety begins with every individual. It highlights common causes for hand-related injuries, preventive measures and the impact of such accidents to employees and their families.



Safety initiatives and enhancement projects included:

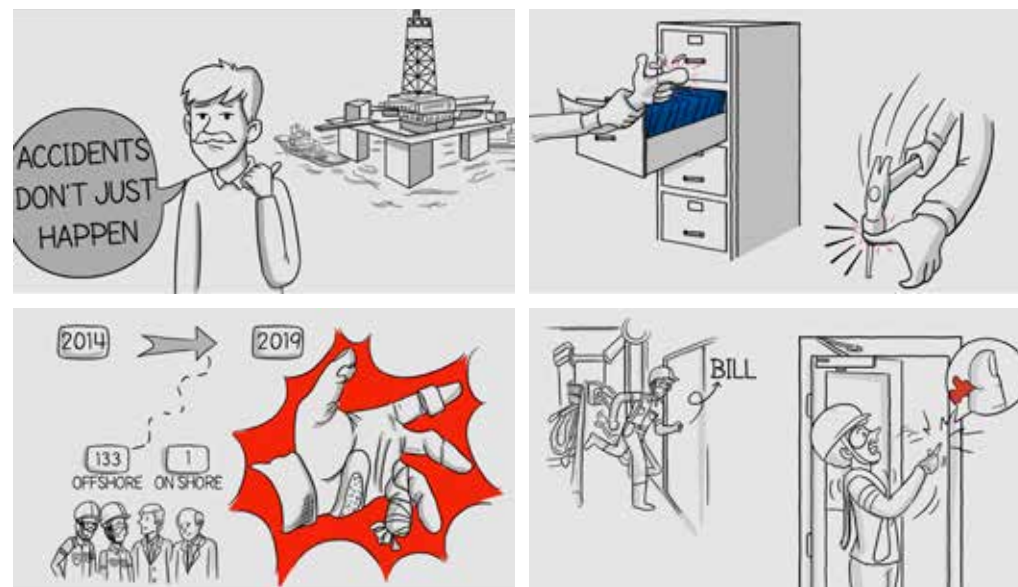
- Rerouted Accident / Incident reporting process in ORBIS to Global Head, HSE so that the level of investigation is commensurate with the actual and / or potential severity of injury.
- Enhanced Safety Flashes with a two-stage process: Safety Flash 'First Alert' then corresponding 'Lessons Learned'.
- Revamped Permit to Work (PTW) procedure, associated forms, records and rescue templates; commenced trial of the new procedure on board *Pacific Valour*, *Pacific Grouse*, *Pacific Harrier* and *Pacific Duchess*.
- Launched 'Hand and Hand Tool' safety campaign video and poster.

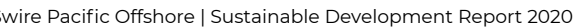
The video is available via the following link:

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

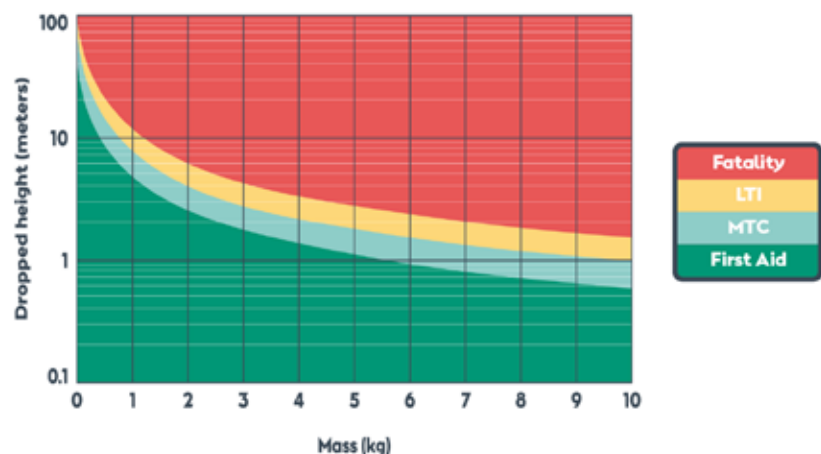
- This campaign was subsequently awarded a Letter of Commendation in the *MPA Safety@Sea Awards 2020*.

Continued on page 74





Dropped object consequence table



STOP the drop

If in any doubt whatsoever, the lifting activity should be **STOPPED** so that the lift plan/risk assessment can be reviewed and updated (as required) with additional control measures deemed necessary before resuming the lifting activity.



Safety initiatives and enhancement projects *cont.*

- Devised and published a vessel 'League Table' with the number of internal audit findings, external inspection findings, leading and lagging indicators for each vessel.
- Reviewed and updated Safety Management Manual (SMM) Section 2 'Safety and Environmental Policy' together with the corresponding Environmental and Sustainable Development Policies.
- Reviewed and updated Appendix 4 of the Anchor Handling and Towing Manual.
- As part of our ongoing transition to a paperless SMM, removed the following 'hardcopy' versions of the SMM from all outpost offices:
 - Safety Management Manual
 - Training Manual
 - Risk Assessment and Hazard Register
 - SPO Forms
 - Safety Flash (SAF)
 - Head Office Circulars (HOC)
 - Anchor Handling and Towing Manual
 - Anchor Handling and Towing Manual Appendices
 - Operational Circulars (OPS)
 - Fleet Circulars (FLC)
 - Environmental Management Manual (EMM)
 - Quality Management Manual (QMM)
- In line with the above, reviewed and updated SMM Section 11.0 'Documentation', only the Emergency Guidance Manual (EGM), Local Instruction Manual and Regional Safety Alerts are now retained in 'hard copy'.
- Transitioned to DNV-GL-Veracity bookshelf, discontinued 'Vessel Trading and Class Certificate' folder in ORBIS.
- Prepared for ISO 45001 accreditation audit, devised ISO (9001, 14001 & 45001) Integrated System (IIS).
- Completed ISO (9001, 14001 & 45001) awareness and internal auditor training.
- Reviewed and updated SMM Section 3 'Company Responsibilities and Authority'.
- Completed annual crisis management exercise 'Stoney Creek'.
- Devised immediate actions for lithium ion batteries, EGM to be updated accordingly.
- Enhanced 'security hardening' on board and updated security procedures.
- Devised questions and guidance for conducting brainstorming sessions.
- Reviewed, updated and published Offshore Vessel Management and Self-Assessment (OVMSA) version 2.0 in OCIMF portal.
- Launched safety campaign 'STOP the drop'.

From 1st January to 30th June 2020 we recorded 17 injuries including all six LTIs. In the second half of the year (from 1st July onwards) we recorded only two injury cases and have been injury-free since 23rd July 2020. As can be seen from the Safety Statistics on page 138, the incidents broadly correlate with the onset and spread of COVID-19 and may be attributed to the uncertainties of crew change and potential distractions 'at home'. It is interesting to note that calls to the Sailors' Society Crisis Helpline peaked in April and dropped to zero from July onwards.

The improved safety performance can be attributed to the accrual of incremental interventions, often necessitated by the pandemic, to drive sustainable change in behaviour which broadly follow the Activator-Behaviour-Consequence (or ABC) model of influence and stairway to behavioural change. An unintended consequence of the pandemic is the constant reinforcement and dire consequence of not following the 'rules' by mainstream media and social networks which ultimately has affected how we all behave.

An unintended consequence of the pandemic is the constant reinforcement and dire consequence of not following the 'rules' by mainstream media and social networks which ultimately has affected how we all behave.





Whilst documented procedures rarely drive sustainable change in behaviour, they are one necessary component in setting Company standards and 'reminding' employees how we expect them to behave. It is therefore important to recognise the preparatory work undertaken in 2019 which contributed to the improved performance realised this year. It has taken 12 to 18 months for the leading indicator programme to be fully embedded within our safety culture.

By setting clear safety expectations, providing the corresponding autonomy to work safely, reframing the narrative to 'YOU', making safety personal and changing the communication to 'improving safety' rather than 'preventing injury' we have removed the negative connotation often associated with safety.

What motivates YOU to work safely?

Concurrently we have promoted servant leadership (we are here to help and support), reiterated that ownership of the SMM is the seafarers (HSE is merely the custodian) and, most importantly, that it is a 'live' document which can be changed / improved / simplified.

Regular 'Captains' Calls' were instigated in March to address the emerging risk of COVID-19 and impending challenges with crew change. They have expanded to include our senior officers, Outports and guest speaker slots and continue to be instrumental in sustaining the improved performance.

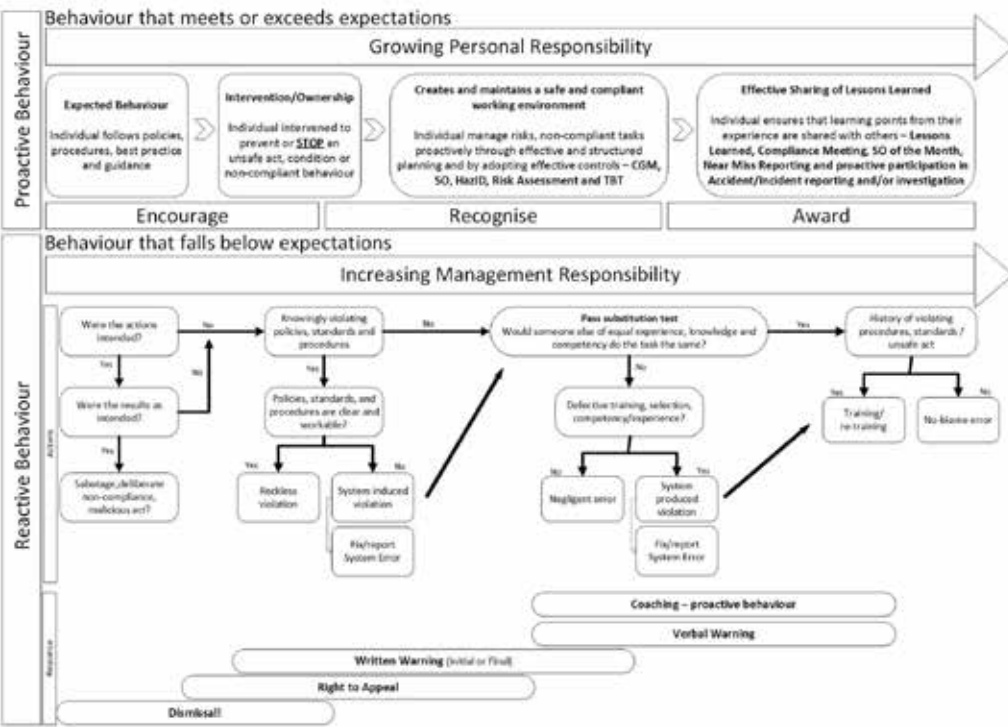
Similarly, the brainstorming sessions were implemented to seek ideas on how to improve safety, but have also evolved into an invaluable forum where our seagoing employees can share their experience and improvement suggestions. In broader terms, through these regular calls and active listening we have built empathy and rapport which, in turn, has influenced behavioural change.

The brainstorming sessions were implemented to seek ideas on how to improve safety, but have also evolved into an invaluable forum where our seagoing employees can share their experience and improvement suggestions.

Simultaneously, to reinforce positive behaviours, we enhanced our recognitions scheme with the award of a safety certificate, created and published a vessel league table (intrinsic motivators) and introduced a reward for the 'best' leading indicator each month (extrinsic motivator).

In December, AB, Richard Tan Azul, was the first person to be awarded a Certificate of Achievement on board and a reward prize of USD 50 for his exemplary action in taking ownership for the safety of everyone coming on board.

Conversely, to manage behaviours which do not meet Company expectation, we have revisited and recommunicated the Just Culture process which is now applied consistently as part of the enhanced Accident / Incident and HiPo Near Miss investigation process.



Extract from HOF-HR-SOP-001/JUST CULTURE in the CGM

Recognition for thinking about safety

While the vessel was alongside in Ranong, Thailand, a Port State Inspector in Ranong made a surprise visit to the vessel late in the afternoon, when the tide change had dropped significantly, and the crew members were in the process of changing over the gangways for a safer access.

Duty AB, Richard Azul politely informed the port inspector that it was unsafe to board the vessel at that time and he could either wait for half an hour for the process to be completed or return the following day. The port inspector returned to the vessel on the following day and gave the vessel a clean bill of health.

Master of *Pacific Legacy*, **Ruben van der Molen**, presenting the certificate to AB **Richard Tan Azul**.



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:

- Indonesia
- Malaysia
- Singapore
- Cyprus

From October 2019 to October 2020, 25 Port State Inspections were completed with nil detentions. There were zero Flag State Inspections undertaken during the same period.

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

Safety Training

Although SMTC was closed in March due to the global pandemic, training webinars were launched in April to ensure that our commitment to continued professional development was maintained. The following webinars have been delivered throughout the pandemic to seafarers 'on leave' and whilst serving quarantine / isolation prior to joining a vessel:

- Safety Management Manual
- CAMO, ASOG & TAM
- Cybersecurity
- DP Control System, Components on Controller Cabinets Functions and Connectivity
- DP Modes of Operation
- DP Revision
- DP Theory of Operation & Equipment Classes
- DPA Matters
- EPCS – Schematics Reading
- First Aid Refresher
- Generator Issues and Fault Finding
- HSE Training Module
- Importance of Learning from Incidents
- Introduction to Man Control Systems, Alphatronic 2000
- Learning from DP Events
- Lifting Operations and Planning
- Management of Change
- Manual Handling
- MARPOL
- Permit to Work
- Planned Maintenance
- PME Basic Principles
- R&R Exercise Feedback
- Risk Assessment
- Risk Assessment Feedback
- Roles & Responsibility
- Root Cause Analysis
- Spill – Hydrocarbon and NLS
- Stability Level 1
- Stability Level 2
- SWL / MBL / Incidents
- TOWCON RT (Operator & User Functions)
- Warden Lessons Learned
- Watchkeeping Practices
- Wire Maintenance

Webinars have been delivered throughout the pandemic to seafarers 'on leave' and whilst serving quarantine / isolation prior to joining a vessel.

Right: Photo by Simon Abrams on Unsplash
Far right: Photo by Matthew Albanus, Master, SPO



Safety Performance

Safety data includes ex-Swire Seabed vessels incorporated into the main fleet from 1st January 2020 onwards and Cadeler (ex-Swire Blue Ocean (SBO)) until 30th September 2020¹.

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 (HiPo) Near Misses²

Whilst the overall number of leading indicators has reduced by 24% from 7,910 in 2019 to 6,008 in 2020; the average submission rate of fully operational vessels, including warm stack is 97.17% with 48.43% of vessels exceeding their KPI of six submissions per month.



This overall reduction can be attributed to the ex-Swire Seabed vessels previous contribution to an enhanced KPI under their Clients system, sale of vessels and vessels in cold stack.

Lagging Indicators

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

- Total number of recordable injuries (19) includes one injury whilst working from home.
- ZERO injuries recorded since 23rd July 2020. This corresponds to 162 days without recording an injury and is the longest 'injury free' period since our current ORBIS records began in 2011.
- The total number of LTIs has increased from five in 2019 to six in 2020.

¹This aligns with the issue of SBO's interim Document of Compliance on 23rd September 2020 and Swire Pacific Limited Divisional Reporting criterion.

²High Potential Near Misses are subject to supplementary investigation as per the Accident / Incident and High Potential Near Miss Investigation Procedure. This process has been further enhanced to include an incident review meeting with the relevant stakeholders to agree the findings and actions to prevent a reoccurrence before publishing the final report.

Recordable injuries

	SPO	SBO ³	Total
Fatalities	Nil	Nil	Nil
LTI	6	0	6
RWC	7	0	7
MTC	6	0	6
TOTAL	19	0	19

³Cadeler (ex-SBO) until 30th September 2020

LTI: Lost Time Injury
RWC: Restricted Work Case
MTC: Medical Treatment Case

Accident frequency rates

	2020	2019
LTIF	0.58	0.44
TRCF	1.85	1.85

Per 1 million manhours

The increase in near miss and hazard reports is a positive metric which is symptomatic of an interdependent safety culture.

You See You Act (UCUX!) Campaign

The UCUX! campaign aims to heighten awareness on the importance of safety and health among employees and to encourage them to identify workplace risks and implement safety and health measures.

Bosun, Neil Bacho observed that chemicals such as oily water and thinners were stored in open-top containers which can be potential safety hazards. He took immediate actions, found an empty drum and made it a dedicated storage for compatible waste liquids.

3/E, Muhamad Farid Bin Fazin found a paint-tin and thinners that were left in the Engine room which may pose as hazardous threats. He removed these items from the Engine Room and placed them in the paint locker.

Both seafarers received tokens of appreciation from senior members of Franklin Offshore International Pte Ltd.



Photo top:

Neil Bacho, Bosun, SPO receiving his UCUX! prize from **Kashif Iqbal**, Senior Mooring Engineer, Franklin Offshore International Pte Ltd.

Bottom:

Muhamad Farid Bin Fazin, 3/E, SPO receiving his UCUX! prize from **Paul Glasco**, Senior Mooring Supervisor, Franklin Offshore International Pte Ltd.



The UCUX! campaign aims to heighten awareness on the importance of safety and health among employees and to encourage them to identify workplace risks and implement safety and health measures.

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Climate Change and Our Business

105 Emission Reduction Strategy

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111 Biodiversity

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*).

Our goal is to pursue both a reduction in fossil fuel consumption and GHG emissions consistent with maritime industry climate goals, and an increase in other positive environmental impacts.

[*https://ghgprotocol.org](https://ghgprotocol.org)



We are seeking emissions reduction within our operations through more energy efficient vessel designs and operations, as well as reducing electricity consumption in our offices. Until such time as technology allows SPO to achieve the industry's emission reduction targets, we decided to act as a Project Proponent to develop our own carbon offsets.

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 and fuel efficiency leading to lower emissions from fleet and voluntarily offsetting our Scope 3 business travel GHG emissions with effect from 1st July 2011. We have also been voluntarily reducing our Scope 1 and 2 carbon emissions in line with the maritime industry climate goals through our carbon offset project in Paraguay and purchasing carbon credits for any shortfall. For the latter, we engaged the services of a carbon broker that trades credits in the voluntary emissions market.

We are seeking emissions reduction within our operations through more energy efficient vessel designs and operations, as well as reducing electricity consumption in our offices.

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

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 to partially offset the Scope 1 and 2 CO₂ emissions from our operations. The project was designed to achieve dual accreditation against both the Voluntary Carbon Standard from an environmental / carbon perspective and 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 were excluded from the Kyoto Protocol

and the December 2015 Paris Agreement. 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.

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, lower particulate matter (PM) fuel in accordance with both 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 our fleet using latest technology and emission control equipment. The Company’s latest generations of vessels are certified by DNV 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 an 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 (HKC), even before it is sufficiently ratified and in force.

We also comply with the MARPOL Regulations and the EU Ship Recycling Regulation (EU SRR) for relevant vessels by having a certified IHM. EU SRR aims to reduce the negative impacts linked to the recycling of ships by ensuring that proper vessel dismantling methods are used to achieve safe disposal or recycling of all ship components, including hazardous materials.



***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.

SPO's Carbon Credit Development Scheme in Paraguay

In mid-2008, SPO voluntarily committed to being “Carbon Neutral”, as the “right thing to do” environmentally and socially, so that the CO₂ for which we are directly responsible (Scope 1 and 2) would be “Net Zero”. The ultimate solution to achieve Net Zero is to use a non-fossil fuel that does not emit any CO₂ in all our vessels, however this is not achievable in the short term.

Whilst SPO has been looking, and continues to look, at alternate low / zero carbon fuels (such as Hydrogen from Methanol or Ammonia, or BioFuel) for some time already, an available ‘silver bullet’ solution does not yet exist. So, between 2008 and the time when a zero-carbon fuel becomes widely available to the shipping industry, the next option is to develop our own carbon credits. These come from our doing environmentally positive things that, once rigorously independently audited and certified, can be used to exactly offset the environmentally negative effects of our Scope 1 and 2 GHG emissions, and in so doing we become “net carbon neutral”.

Forests both take in (or “sequester”) atmospheric CO₂, and then hold the CO₂ in the green leaves, thus doubly helping to slow man-made global warming. Slashing and burning the forest releases the CO₂ back into the atmosphere, and stops any more being sequestered. If we can help prevent this, we get X tonnes of carbon credits equal to the amount of the threat that we have removed.

In mid-2008, SPO voluntarily committed to being “Carbon Neutral”, as the “right thing to do” environmentally and socially, so that the CO₂ for which we are directly responsible (Scope 1 and 2) would be “Net Zero”.

In 2009, we partnered a non-governmental organisation (NGO) in eastern England, the World Land Trust, who have a long history of work in this specialised area, and donated USD 1.1 million to Guyra Paraguay (GP), a local ecosystem NGO in Paraguay, central South America. This enabled GP to buy nearly 5,000 hectares of dry Quebracho forest in the Chaco-Pantanal in NE Paraguay. GP then gave half the land title to the indigenous Indians of that area, with the promise of all the remaining land title at the end of our 30-year project, so they recovered their traditional, and in places sacred, land.

We also worked with some local Campesinos (peasant farmers) in La Amistad Community in San Rafael National Park in SE Paraguay. There are approximately 100 families there, each with a plot 100 m wide and 1,000 m deep, and they are working down their own plots slashing and burning the trees to plant crops such as sesame, and a local type of tea called Yerbe Mate.

We pay them every year not to cut down any more trees, and pay them for the crops they would have grown if they had, thus preserving the original tree cover to sequester CO₂, whilst ensuring that they are no worse off financially. This is called Payment for Ecosystem Services (PES). We also pay a small amount in both project areas into a collective fund for them each to spend, as they like, on things that will benefit their communities.

Continued on next page



Pictured:
Representatives from the
Paraguay Forest Conservation
Project partners

SPO's Carbon Credit Development Scheme in Paraguay *cont.*

In 2020, after many years of saving from the PES funds SPO had been giving them every year, the first 11 of the Campesinos members working with us now finally had enough to buy the title of their own plot from the Paraguayan Government Bureau of Indigenous Peoples Affairs (INDERT). A ceremony was held to formally hand over the land titles to them, make the PES payments to all our 35 members for 2019, and donate the extra sum into their Community Fund.

This is a major first achievement for our Paraguay Forest Conservation Project stakeholders, as they are able to provide security to the families in La Amistad, who had lived as tenants to a government organisation in faraway Asuncion for all their lives.



This shows that:

- The local Campesino farmers can benefit socially in getting land title
- The Campesinos can benefit financially from the higher cash crops like Yerbe Mate that Guyra Paraguay are showing them how to grow
- Guyra Paraguay can benefit from the flora and fauna observations the campesinos are making for them
- SPO can benefit from the extra social and environmental value this adds to our carbon offset credits, until we can develop a zero-carbon fuel
- The environment can benefit from the tree cover that has not been cut down, and thus man-made global warming is reduced just a little
- The Paraguay Government benefits from what is effectively Foreign Direct Investment to increase the welfare of its citizens at no cost to itself.

A truly win-win-win-win-win situation!

This is a major first achievement for our Paraguay Forest Conservation Project stakeholders, as they are able to provide security to the families in La Amistad, who had lived as tenants to a government organisation in faraway Asuncion for all their lives.

Left: **Simon Bennett**, General Manager – Sustainable Development, SPO

Our newest vessels 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).

Each SPO vessel over 400GT has also been operating 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 our vessels.

SPO is using two fuel management systems on board our vessels: FUELTRAX® and Aquametro. FUELTRAX® is installed on 11 vessels with two of these vessels installed with the latest “FUELTRAX Vision” technology. Additionally, four vessels are fitted with an Aquametro system. Both systems are smart, self-contained, marine fuel management solutions, which ensure security of fuel, compliance and optimised vessel performance.

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

Our newest vessels have been fitted with low-NO_x main engines, sewage treatment plants, waste macerators and garbage compactors.



SPO has a target of zero unplanned releases of substances hazardous to the marine environment. This includes mineral oil, other hydrocarbons and chemicals that are hazardous to the marine environment and the release of CFC / HFC / HCFCs with both high Ozone Depleting Potential (ODP) and high Global Warming Potential (GWP) to the atmosphere. Reporting of accidental spills and 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 are bagged and discharged ashore, as is all sludge which is discharged to shore facilities. 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 ships can be (and are) audited by national inspectors at any and every port worldwide at which every vessel calls.

Photo Above: TJ Fitzsimmons on Unsplash



**Subject to review in 2021 in line with the recent parent company commitment to be carbon neutral by 2050, and the next IMO MEPC meeting in June 2021 which is charged with defining metrics and modalities of short term carbon intensity measures for our industry sector.*

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 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. 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.

Our direct and indirect Scope 1, 2 and 3 emissions are calculated in accordance with the GHG Protocol and ISO 14064. We also report GHG emissions from our entire operations within our operational management and operations' boundaries.

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 y-o-y reduction target*.

In 2020, we identified two pilot projects to help us to reduce total carbon emissions and carbon intensity from our operations. They are:

- Using Royston Engine-i Fuel metrics software to offer a fuel consumption and power measuring hardware and software package that provides real time feedback to the crew and shore-based team, along with historical data that would allow the vessel operation to be closely monitored, providing insight into areas where efficiency gains could be made.
- Working with MAN to install a variable frequency drive to each alternator to allow the frequency produced by the main engine driven alternator to remain constant despite variable engine rpm. This allows the optimisation of the propeller's combination of rpm and pitch. Modification of the engine control system using an algorithm called "EcoOptimiser" to optimise the fuel oil consumption combinator curve based on the specific engine load and speed curves.

SPO received funding approval from the parent company's SD fund to proceed with the first pilot project in 2021. The second project was put on hold and will be revisited in 2021.

To help reduce the Company's carbon footprint, SPO strongly encourages all 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 held Eco-Office certification since 2010. We continue measuring our office electricity / water / paper consumption and reducing them y-o-y.

Middle Photo: Federico Bottos on Unsplash. Right: Sigmund on Unsplash

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 act on banning plastics in the marine sector as a solution to this environmental problem. Many of us are aware that plastics take decades, and some, centuries, to decompose, creating dreadful waste problems.

We seek to comply with the UK Chamber of Shipping Single-Use Plastic Charter* and set ourselves a goal of eliminating Single-Use Plastic Water Bottles (SUPWBs) with the target of zero SUPWBs on board of our vessels. In 2020, we achieved a 60% reduction in SUPWBs used.

*UK Chamber of Shipping: <https://bit.ly/2SoEKsU>

"Takeaway food and drink litter dominates ocean plastic, study shows."
The Guardian: <https://bit.ly/3gkA2pv>



Photo by Nariman Mesharrafa on Unsplash

Say No to Single-Use Plastic water bottles

Much has been said and written about the harmful effects of Single-Use Plastic (SUP) on the environment and on our food chain (through very small pieces of plastic called micro-plastic).

While the problem of plastic waste globally may seem to be insurmountable, there is something that each of us can do. It is all about taking personal responsibility and making thoughtful decisions. We are aiming for the ambitious target of zero Single-Use Plastic Water Bottles (SUPWBs) on board our vessels, working in places where we can source sustainable non-SUPWB potable water, but we cannot do it without everyone's help.

Over the course of 2020, we saw a 60% reduction in average SUPWB usage per vessel, coupled with an increase of 333% of use of refillable flagons.

We introduced our Reduction of SUP Action Plan which covers what we need to do to reduce the use of SUP. This plan will be rolled out in early 2021.

The SD team publishes the SUPWB numbers quarterly in our internal newsletter so that everyone can see our progress and know the role they have played in making this world a more sustainable and environmentally cleaner place.

Over the course of 2020, we saw a 60% reduction in average SUPWB usage per vessel, coupled with an increase of 333% of use of refillable flagons.

Sustainable Ship Recycling

SPO has a Sustainable Ship Recycling Policy in place stating that all vessels at the end of their working life 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, ISO 45001, and preferably also ISO 30000:2009.

This Policy ensures that SPO recycles our 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.



Pacific Falcon

In 2020, SPO sustainably and responsibly recycled *Pacific Falcon* in Alang, India at R.K. Industries, Plot #V-7. R.K. Industries had implemented all the necessary Ship Recycling Facility Management Plans and upgraded their facilities to meet the requirements of the HKC. SPO employed a site monitoring team to work alongside SRF personnel to ensure that all work was carried out in full compliance with the SRF Management Plan, and SRF Ship Specific Recycling Plan. This was done at an additional cost to SPO, however through this we were able to be assured that all the work was performed safely, with no environmental spills, whilst helping to build the capacity and competence of the yard's personnel.

98.7% of the vessel was recycled during the reporting period, and components reused / upcycled. The remaining 1.3% of waste was sent to the hazardous waste facilities locally where it was incinerated by a locally licenced and qualified contractor. 43.8 tonnes of hazardous waste was safely and responsibly disposed of.

For more information

PDF factsheet:
<https://bit.ly/2ZX075Y>

Youtube video:
<https://bit.ly/2AuX8XQ>

In 2020, SPO sustainably and responsibly recycled *Pacific Falcon* in Alang, India.

98.7% of the vessel was recycled during the reporting period, and components reused / upcycled.

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 the Reduce-Reuse-Recycle approach, reduced electricity usage, use of FSC-certified paper, double-sided printing, and more efficient use of aircon / heating.

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

With most employees working from home in 2020 and strict limitations on public gatherings, we did not hold any employee engagement events.

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

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.



Photo by Conscious Design on Unsplash



Photo by Vlada Karpovich on Pexels

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 a 14% y-o-y decrease in days that vessels were utilised / on-hire in 2020. This is representative of the effect of the pandemic on the Oil and Gas exploration and production projects and suspension of contracts by clients.

The "Unutilised boat days" table shows a 16% increase in days that vessels were off-hire in 2020 compared to 2019. This increase in unutilised boat days is related to the increase in the number of vessels in cold / warm stack and managed lay-up.

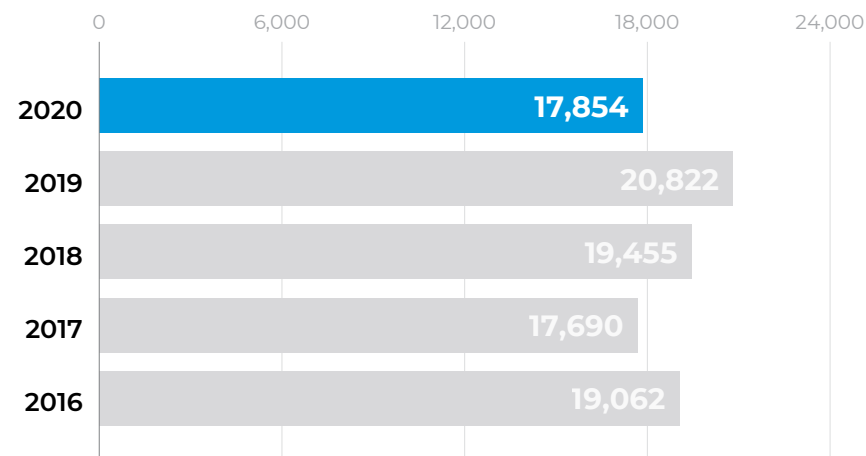
As at 31st December SPO had two vessels in cold stack, one vessel in warm stack and three in managed lay-up. These six vessels compare to just two vessels in cold / warm-stack at the end of 2019, hence the increase in "unutilised boat days".

* "**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.

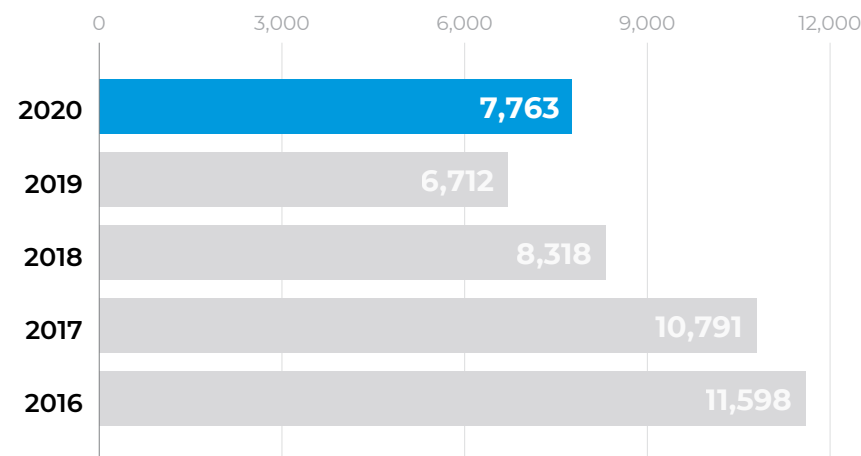
** "**Unutilised available boat days**" (UUBD) is the total number of individual days for all boats within a year that all the owned SPO vessels are off-hire. GHG emissions from each boat on these days is classed as Scope 1 under GHG Protocol and the Company is the "Controlling Mind" for the operations 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 (and thus GHG emissions footprint of 97.07%) is caused by combustion of Marine Gas Oil (MGO) in Internal Combustion Engines ("ICE").

Our fleet numbers have dropped down to 61 vessels in 2020 due to the sale of nine vessels, redelivery of another vessel and transfer of the two windfarm installation vessels to Cadeler.

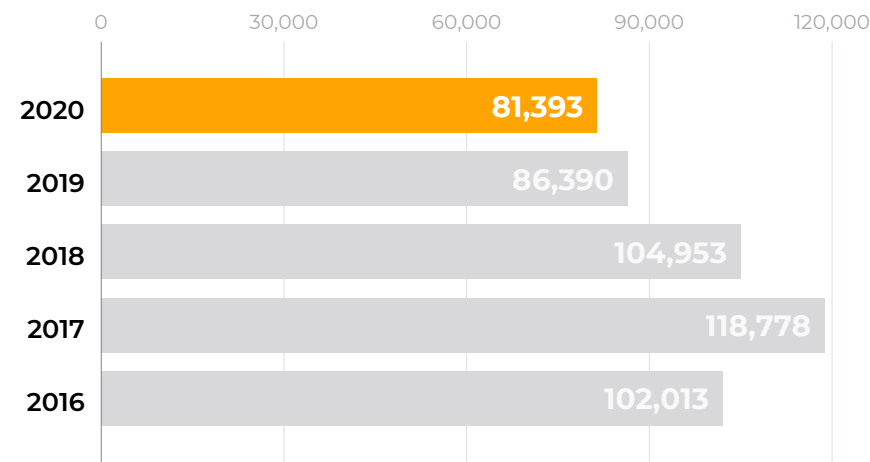
In 2020 we saw a 5.8% decrease in total Scope 1 absolute fuel emissions (in tonnes of CO₂). Fuel emissions per 'unutilised available boat day' also decreased by 18.5%.

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

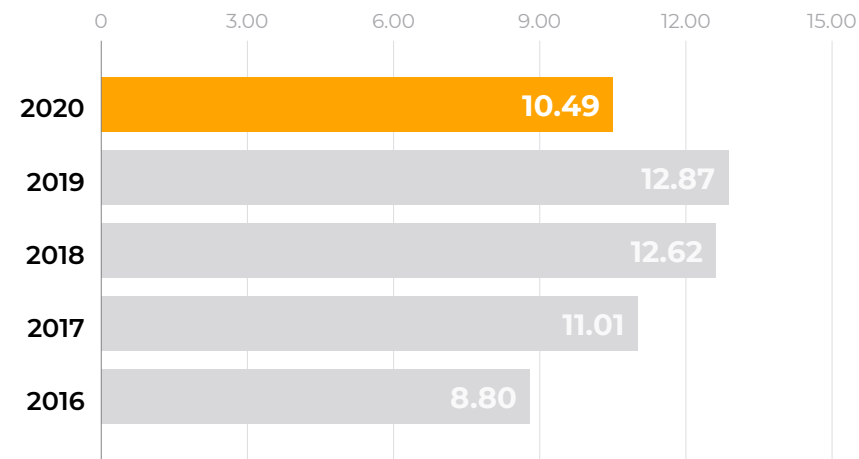
As at 31st December SPO had six vessels in cold / warm stack and in managed lay-up.

In 2020 we saw a 5.8% decrease in total Scope 1 absolute fuel emissions (in tonnes of CO₂).

Scope 1 MGO emissions for SPO fleet (tCO₂e)



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



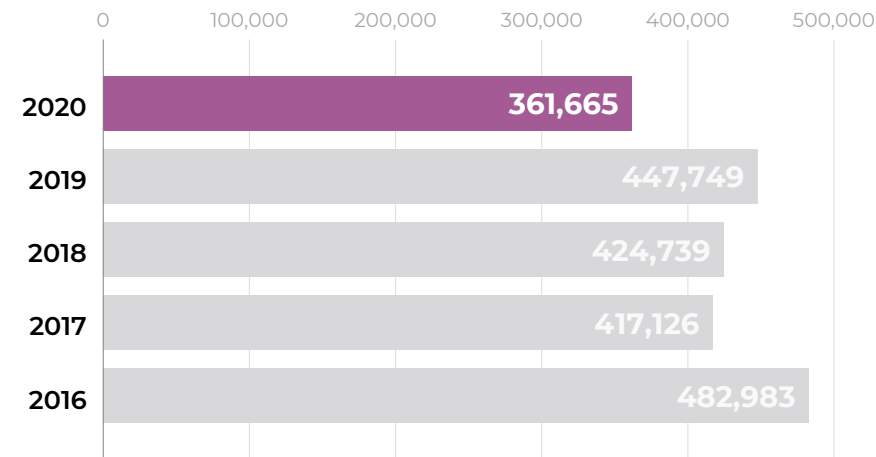
The largest use of fuel associated with SPO's business is MGO used by our vessels when on-hire to clients (though this forms part of our clients' Scope 1 footprint – this distinction as per the GHG Protocol is to avoid double counting in all sectors). Scope 3 fuel use is an order of magnitude higher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

Scope 3 MGO emissions decreased by 19.2% while the Scope 3 fuel consumption emissions per 'utilised available boat day' have decreased by 5.8% since 2016. This will be due to a different level or type of usage of the boats on hire, but as the clients are "the controlling minds" behind the operations, we have neither knowledge nor control of their instructions.

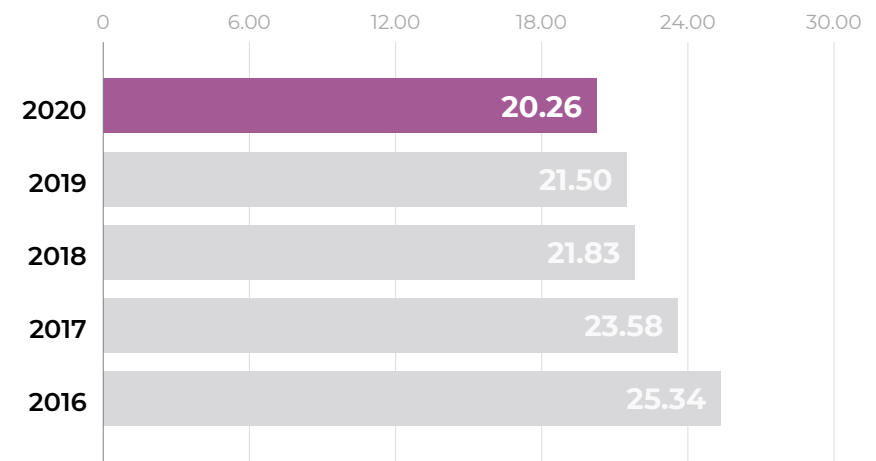
SPO is seeking to contribute to the reduction of our client's directly attributable carbon footprint by providing a more modern and fuel-efficient fleet, and working with clients to optimise the operations to reduce the consumption of MGO and thus GHG emissions.



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 to 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.

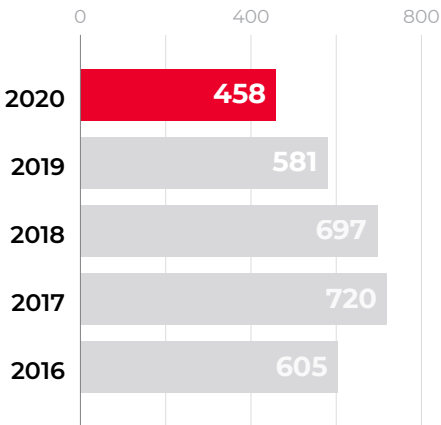
SPO’s overall (direct) emissions from Lube Oil consumption decreased in 2020 by 21.1%. This is consistent with the 5.8% reduction in Scope 1 MGO consumption. Scope 1 Lube Oil emissions per ‘unutilised available boat day’ have decreased by 31.8% over the reporting period. Again, this is consistent with a Scope 1 MGO consumption decrease of 18.5% per unutilised available boat day.

SPO’s overall (indirect) Scope 3 total Lube Oil emissions have decreased by 18% while Scope 3 Lube Oil emissions per ‘utilised available boat day’ decreased by 4.3% over the reporting period. As with MGO, the reasons for this are outside our management control, but consistent with the decrease in normalised Scope 3 MGO consumption.

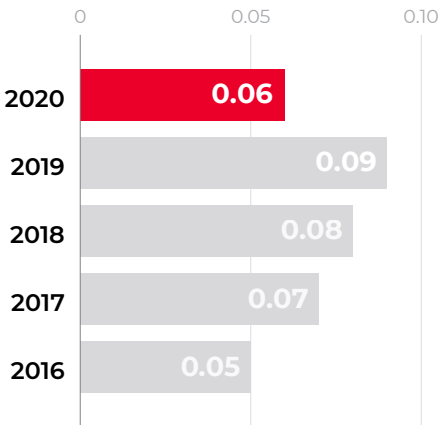


SCOPE 1

Lube Oil emissions (tCO₂e)

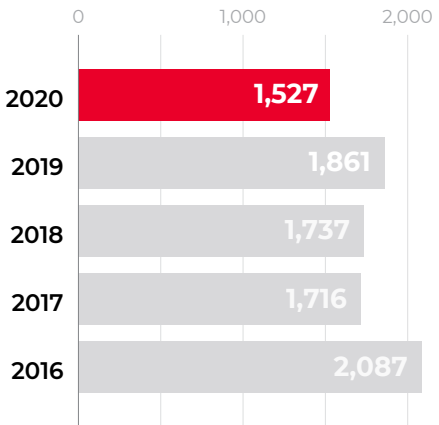


Lube Oil emissions (tCO₂e) / unutilised available boat day

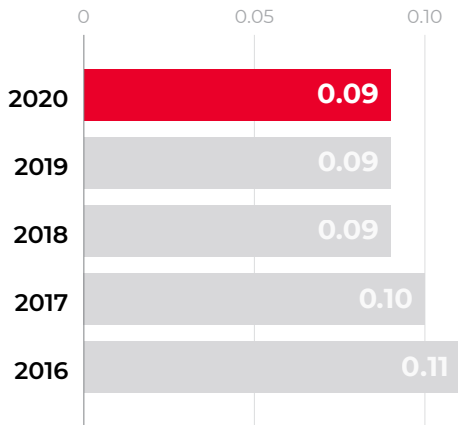


SCOPE 3

Lube Oil emissions (tCO₂e)



Lube Oil emissions (tCO₂e) / utilised available boat day



Petrol and Diesel (Scope 1)

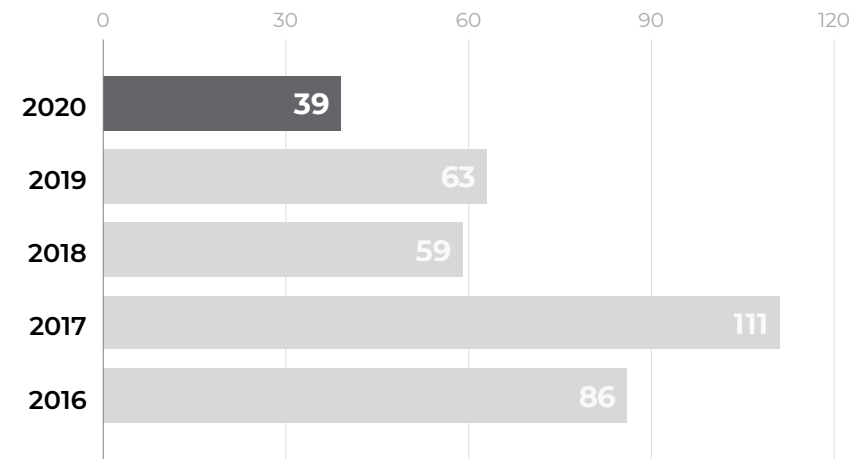
Emissions from petrol consumption (which comes mainly from the use in company-provided vehicles and from some Fast Rescue Craft on board some of our vessels) have shown a 38% decrease from 2019.

We include diesel used in outboard engines on rescue boats in the fleet, and in diesel run company-provided vehicles. Emissions from diesel consumption decreased in 2020 by 5%.

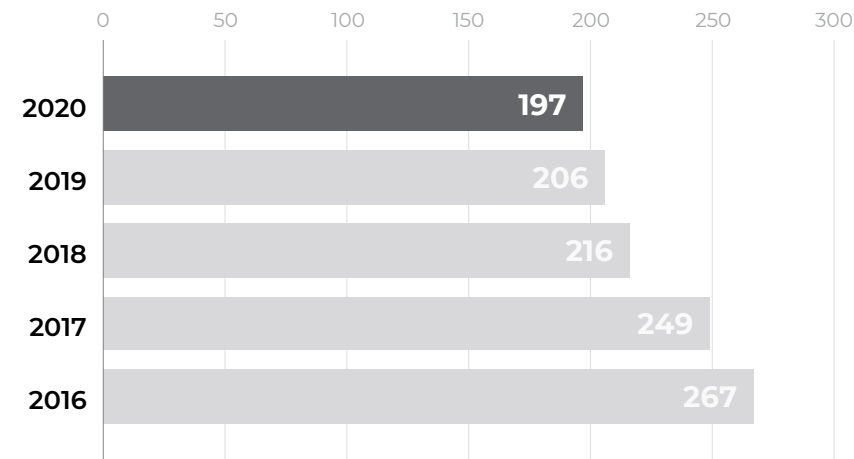
It should be noted that petrol and diesel emissions are around 0.27% of SPO's total Scope 1 and 2 GHG emissions, and so are not material to SPO's total GHG footprint.



Petrol (tCO₂e emitted)



Diesel (tCO₂e emitted)



Emissions from Employee Travel (Scope 3)

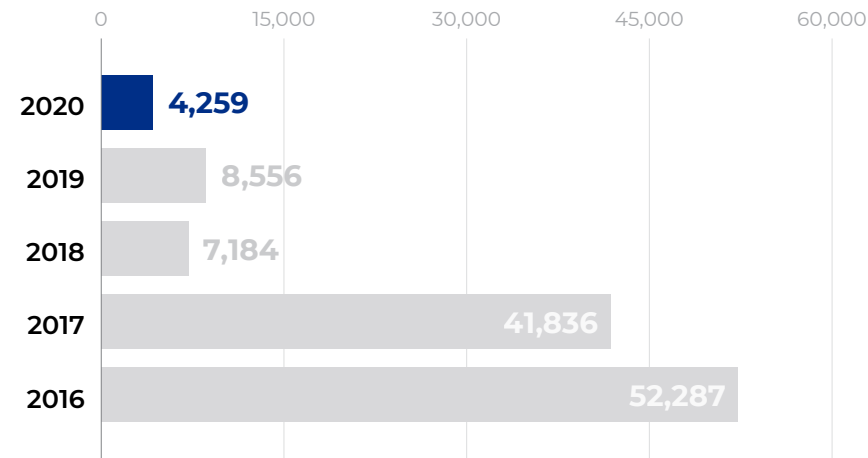
Emissions from employee travel reduced by 50% in 2020 due to the travel ban imposed by governments in view of the COVID-19 pandemic.



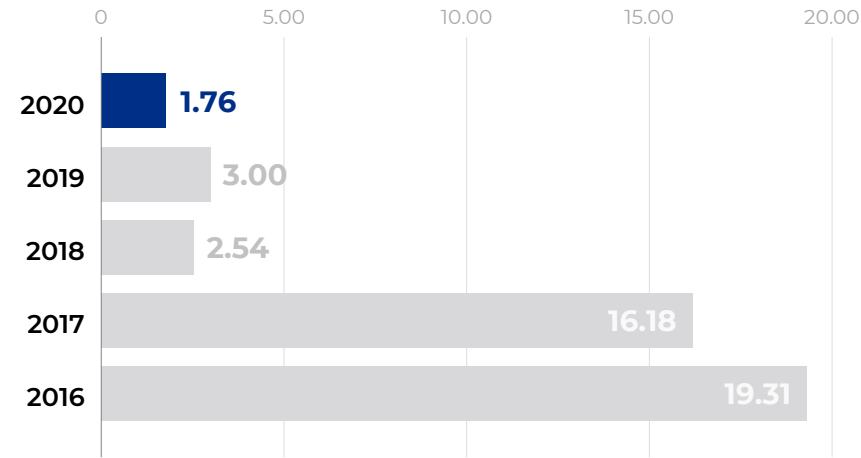
Photo by Avery Coccozziello on Unsplash

*Due to employing a more accurate way of measuring the flights and their distances for our seagoing employees in 2018, the emissions from flights reduced drastically.

Total Air Travel Emissions (tCO₂e)



Air Travel Emissions (tCO₂e) per employee



Electricity Usage (Scope 2)

Electricity usage across all SPO offices has been reducing since 2015. In 2020 there was a further 24% decrease in emissions from electricity usage due to a 33.2% reduction in shore-based employees. Note that we have included an estimate for electricity consumption generated by employees while working from home (WFH).

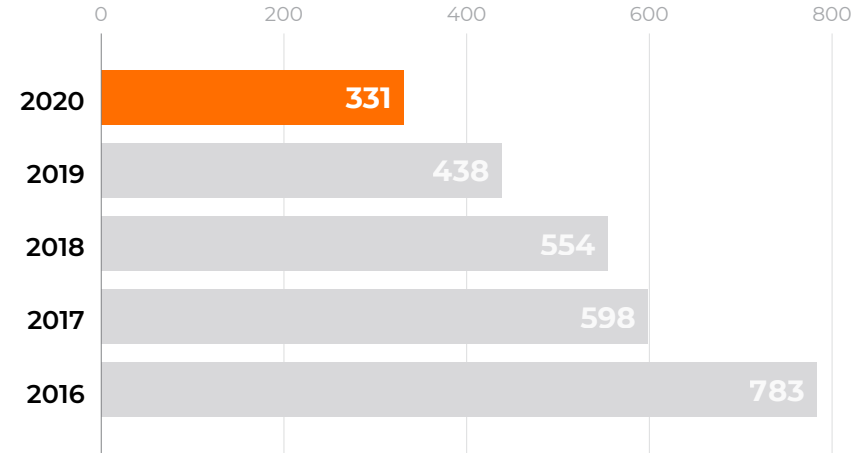
Normalised emissions from electricity usage per shore-based employee increased by 13.1% as we used different factors ("Homeworking emissions" whitepaper by EcoAct*) for calculating electricity use during the WFH period, which were generic for all locations.

*<https://bit.ly/35sJtNj>

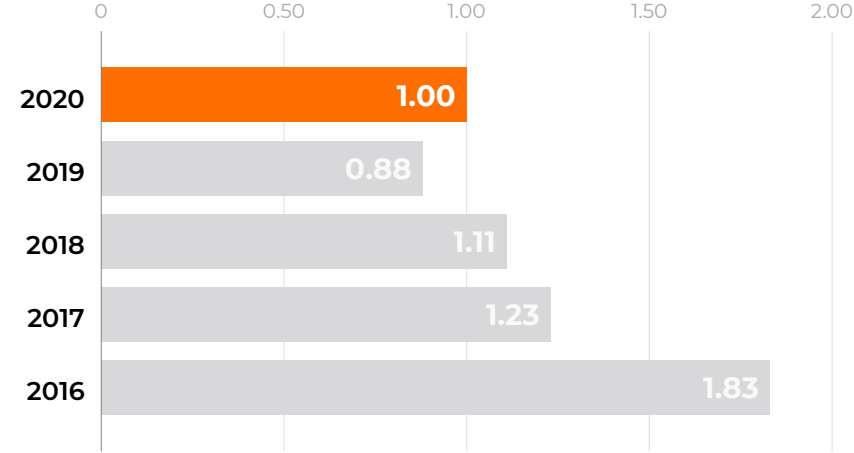


Photo by NASA on Unsplash

Electricity Usage (in tCO₂e emitted)



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



Greenhouse Gas Emissions

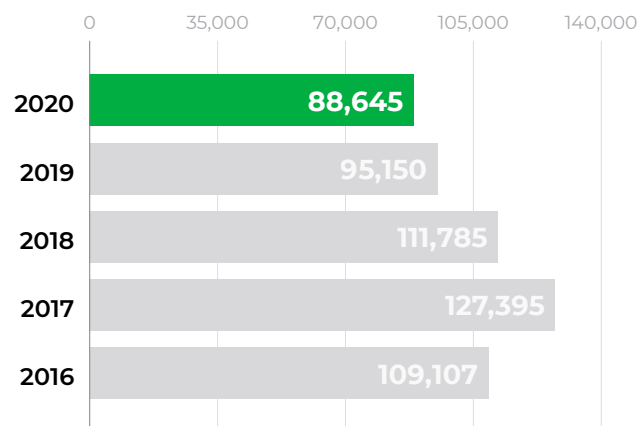
SPO's total Scope 1 emissions went down by 6.8% in 2020 and our Scope 2 emissions have decreased by 24.5%. This is consistent with the above reported trends and is expressed in the tables below. SPO's commitment to the reduction in normalised Scope 1 and 2 GHG emissions to the environment is 3% y-o-y.

Scope 3 emissions are an order of magnitude higher than our Scope 1 and 2 emissions combined. MGO and LO consumption and emissions decreased due to the decrease in utilisation rate in 2020. Scope 3 emissions fell by 19.8% compared to the 2019 figure.

Conversion factors (m^3 MGO to tCO_2e) source: IMO conversion factors

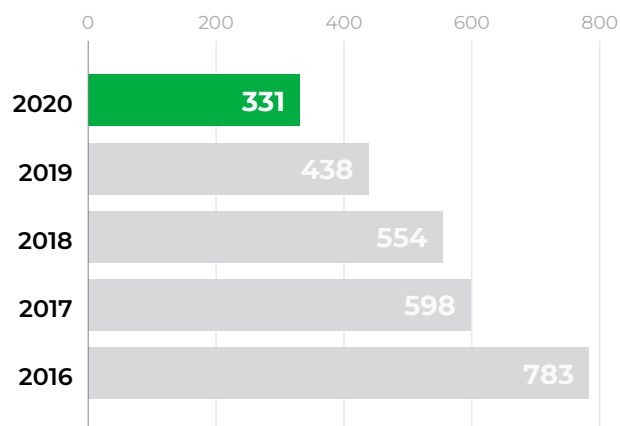
Scope 1 GHG Emissions

tCO_2e



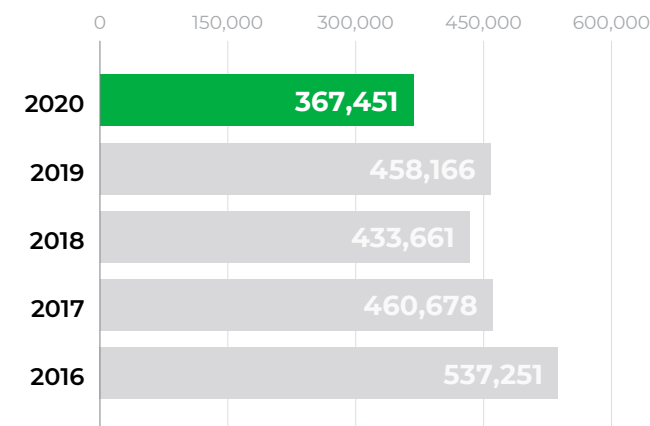
Scope 2 GHG Emissions

tCO_2e



Scope 3 GHG Emissions

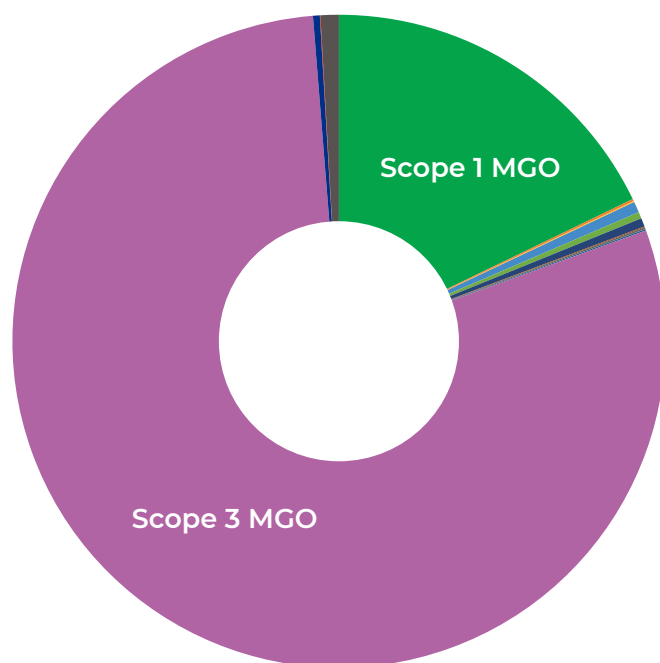
tCO_2e



SPO's total Scope 1 emissions went down by 6.8% in 2020 and our Scope 2 emissions have decreased by 24.5%.

Percentage Breakdown of GHG Emissions (tCO₂e) in 2020

The breakdown of our GHG emissions for 2020 is represented below with fuel combustion in internal combustion engines (ICE) remaining, as usual, by far the biggest contributor to SPO's carbon footprint (97.1%).



Scope 1 MGO	17.833%
Scope 1 LO	0.100%
Petrol	0.009%
Diesel	0.043%
HCFC R22	0.550%
HCFC R417a	0.324%
HFC R407c	0.423%
HFC R134a	0.050%
HFC R404a	0.081%
HFC R410a	0.009%
Electricity	0.072%
Scope 3 MGO	79.238%
Scope 3 LO	0.335%
Shore-based employee air travel	0.030%
Seagoing employee air travel	0.904%
TOTAL EMISSIONS	100%

Carbon Emissions 2020	tCO ₂ e
Scope 1 - Direct emissions	88,645
Scope 2 - Indirect emissions	331
Scope 3 - Other indirect emissions	367,451
TOTAL EMISSIONS	456,427



Ozone Depleting Substances' Emissions

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

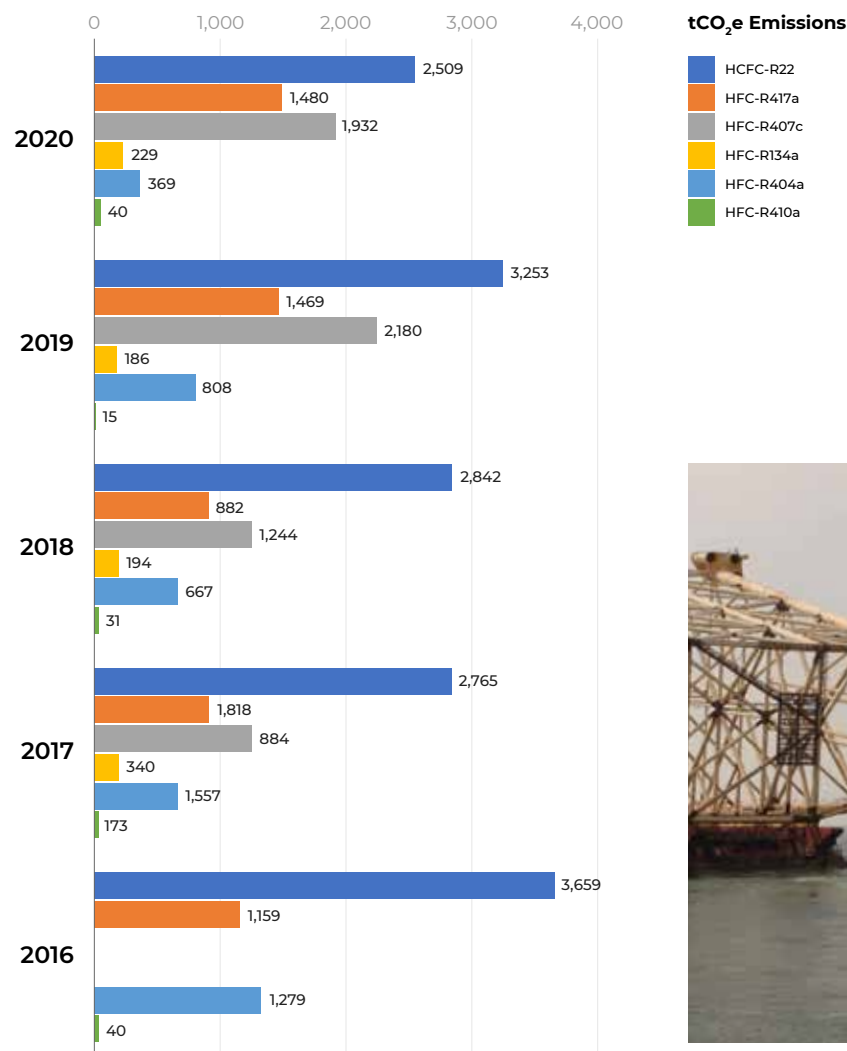
The Kigali Amendment to the Montreal Protocol entered into force on 1st January 2019. It addresses the shift from higher Ozone Depleting Potential (ODP) freons (mainly HCFCs and CFCs as far as our refrigerant gases are concerned) to lower / zero ODP freons (HFCs) that was mandated under the Montreal Convention, but that inadvertently simultaneously lead to the use of freons with a higher Global Warming Potential (GWP).

SPO committed to switch to refrigerants with zero ODP and lower GWP freons in accordance with the Kigali Amendment. We have a target of a 50% reduction of HCFC-R22 refrigerant freons used in the fleet by 2021 and eventually from the remaining vessels. In 2020, our use of HCFC-R22 reduced by 19.2%.

Usage of various ODS remains stable y-o-y, with consistent use of HFC-R417a and HFC-R407c. However, both have ODPs of zero.

Type	ODP	GWP (100-year horizon)
HCFC-R22	0.055	1,810
HFC-R417a	0	2,346
HFC-R407c	0	1,774
HFC-R134a	0	1,430
HFC-R404a	0	3,922
HFC-R410a	0	2,088

Total Scope 1 HCFC / HFC Emissions (tCO₂e)



NO_x, SO_x, PM, VOC and Black Carbon Emissions

We measure emissions of Nitrogen Oxide (NO_x), Sulphur Oxides (SO_x), Particular Matter (PM), Volatile Organic Compounds (VOC) and Black Carbon. Their emissions are generally 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

		2016	2017	2018	2019	2020
NO _x	tonnes	1,627	1,895	1,676	1,379	1,298
SO _x	tonnes	642	747	661	544	512
PM	tonnes	45	52	46	38	36
VOC	tonnes	361	421	372	306	288
Black Carbon	tonnes	-	-	-	-	3,418

Total Scope 3

		2016	2017	2018	2019	2020
NO _x	tonnes	7,692	6,642	6,763	7,130	5,759
SO _x	tonnes	3,520	3,040	3,095	3,263	2,636
PM	tonnes	211	182	186	196	158
VOC	tonnes	1,707	1,474	1,501	1,583	1,278
Black Carbon	tonnes	-	-	-	-	15,417



*Note: "Black Carbon (BC) data is currently a best approximation as it depends non-linearly on the engine load, which obviously varies over the operational cycle of a ship and the fuel properties, with an interesting observation that Light Fuel Oil (LFO) may not have the expected benefits when compared with some Heavy Fuel Oils (HFO). CIMAC concluded that use of distillate fuel (MGO) may not result in reduced black carbon emissions compared to HFO usage in larger engines.

In research to date, measurements of ship-related BC emission factors have ranged from 0.1 to 1 g/kg fuel, but the exact contribution is a matter needing further research given the span of results. We have used three conversion figures for SPO's fleet, recognising the variation in engine load cycles among those on PSVs, those on AHTS Vessels and a generic factor for other types of vessels."

See <https://bit.ly/3z1BEqc>

Water Use – Not Material



Photo by David Becker on Unsplash

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 persons) compared to other businesses involved with industrial processes. In fact, we make potable water on our ships 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 500 metres zone from rigs and platforms.

As a service industry we have an immaterial use of water compared to other businesses involved with industrial processes.

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 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 the ship's staff in properly disposing of garbage generated on board.



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

Emission Reduction Strategy

SPO causes the atmospheric emission of CO₂ and other Greenhouse Gases (GHG), primarily from the burning of fossil fuels (MGO and LO) in the internal combustion engines in our ships. The emission into the atmosphere of CO₂ and other GHG is leading to man-made global warming which is a concern to us in the shipping sector. 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, the people and environment.

In 2018, IMO at MEPC-72 adopted an emission reduction strategy in line with the UNFCCC Paris Agreement. This strategy requires that the shipping industry must reduce its total annual GHG 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 at 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-75 session (in November 2020) further accelerated the IMO ambitions with regards to the Greenhouse Gas Strategy. MEPC-75 approved the Fourth IMO GHG Study together with the draft amendments to MARPOL Annex VI for the reduction of carbon intensity of existing ships. The amendments covered the new Energy Efficiency Existing Ship Index (EEXI), the Carbon Intensity Indicator rating (CII) and enhanced Ship Energy Efficiency Management Plan (SEEMP).

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

- Engage with our clients to reduce their fuel consumption responsibility (and thus costs);
- Use of fuel management software on our vessels (currently FUELTRAX® and Aquametro);
- Develop projects that will improve the operational efficiencies of our vessels;
- Exploring the feasibility of provision of ship and shore-side / on-shore power supply from renewable sources.

SPO is always looking for suitable opportunities to further improve the sustainability of our business and decarbonising our operations. We will continue to look at alternate low or zero carbon fuels as the low-carbon emerging technologies mature and bunker supply infrastructure required develops. But it is clearly accepted that waiting for the “silver bullet replacement fuel” to be ready is neither a practical nor acceptable solution, given the increasingly urgent pressure for our sector to decarbonise.

We envisage that our next / future newbuildings will use dual fuel engines, and that these may well start using (say) “brown” methanol or ammonia, and progress through “grey and / or blue” methanol or ammonia on a pathway to ultimate use of low or zero carbon “green” methanol or ammonia.

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

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

Demand for Oil and Gas Services

"The World Energy Outlook* forecasts a rapid energy transition between now and 2050 – effectively, within a generation. The COVID-19 pandemic continues to exact a tragic toll on lives and livelihoods and will greatly impact global energy use in the near term. The pandemic has also brought forward peak emissions and will lead to an earlier plateauing of oil use.

Delayed growth and behavioural changes see global energy demand reduce by 8% in 2020. It will pick up in 2021, but then fluctuates annually some 6% - 8% below our pre-pandemic forecast to 2050. With the drop-off in demand, oil and coal are most severely impacted, followed by gas, with renewables least affected.

Global energy demand will only see a modest growth post COVID-19, owing to continuous improvements in energy intensity. Crude oil use likely peaked in 2019, and natural gas will peak in 2035.

*<https://eto.dnv.com/2020>

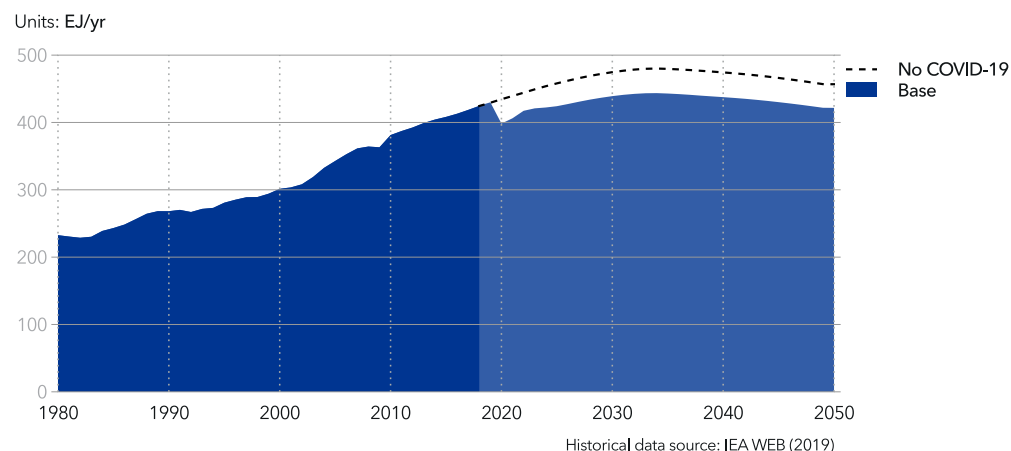


Lower emissions in 2020 came at the expense of a pandemic which is exacting a tragic toll on lives and livelihoods. We saw a small rebound in global emissions as economies recover, but peak emissions will remain behind us. In 2030, emissions are forecast to be 10% lower than the pre-pandemic forecast, and in 2050, energy-related emissions will be at 17 Gt CO₂, about half of the present level. But that is not enough: if we want to be on track towards 1.5°C, we need to repeat this year's 8% emission reduction every year through to 2050.

The dominance of oil in the energy mix will give way to gas in the coming years. Without COVID-19 it is estimated that oil would have reached a supply plateau in the early 2020s. However, the pandemic will lead to a 13% reduction in global crude oil demand in 2020 and although demand will recover it will not surpass the 2019 level. Oil demand has therefore already peaked. Mainly due to the electrification of transport, oil will decline steadily to reach half current consumption levels by 2050.

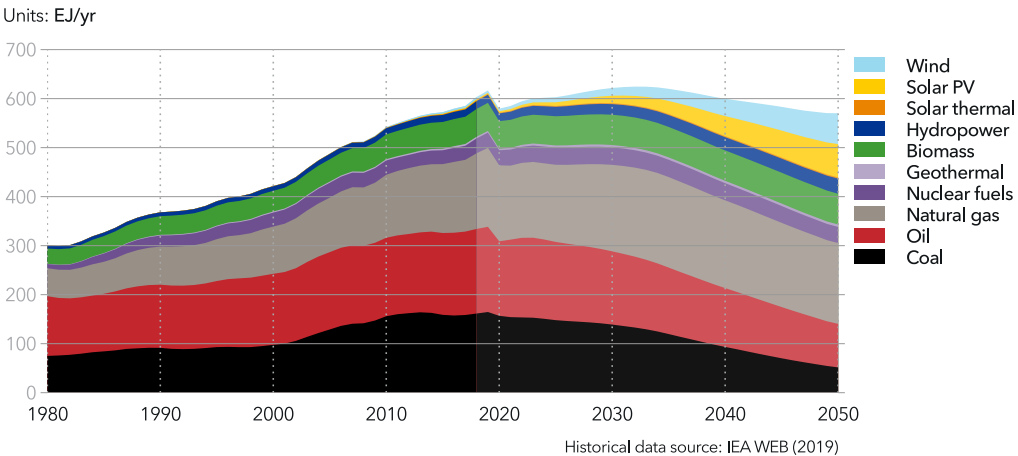
FIGURE 1

World final energy demand - with and without COVID-19



Gas use on the other hand will continue to expand, surpassing oil as the largest energy source by 2026, and will then peak in 2035, thereafter tapering off gently to 2050. The use of gas in power generation will greatly expand, underlining its role as a 'bridge' fuel. The oil and gas industry will however, be under mounting pressure to decarbonise natural (but also fossil fuel derived, and thus sequestered carbon-releasing) gas, which will start to scale from the mid-2030s, reaching 13% of natural gas supply by mid-century."

FIGURE 2.1
World primary energy supply by source



Right: Photo by Ave Calvar Martinez on Pexels



Climate-related Risks, Opportunities and Risk Management

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

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 the operations of our clients, in particular 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 constantly reviewing and developing our safety measures pertinent to those risks and working to our aim to achieve our goal of Zero Harm to people, environment and our reputation.

Our Business Continuity Plans cover our shore operations (and Emergency Guidance Manual cover operations at sea) 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.

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 or zero carbon alternative to fossil fuel. SPO invested in <i>Project Hafnium</i> in 2018 - 2019.
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 is using two fuel management systems on board our vessels: FUELTRAX® and Aquametro. Both systems are smart, self-contained, marine fuel management solutions, which ensure security of fuel, compliance and optimised vessel performance.

The Task Force on Climate-related Financial Disclosures

SPO communicates our approach to climate change mitigation, adaptation and resilience in accordance with its Climate Resilience SOP. SPO is already voluntarily offsetting part of our Scope 1 and 2 emissions and investing time and / or resources in research programmes on the viability and availability of sustainable alternative fuels.

Through the ISO 14001:2015 Environmental Management System and relevant MARPOL regulations, we manage our daily operational risks related to climate change, carbon and energy management. We produce Divisional Environmental Reports with performance against KPIs, which are signed off by the MD and sent to our parent company quarterly.

We take steps to build our resilience to climate change through:

Mitigation

- Reducing our carbon footprint through the establishment and implementation of long-term carbon emissions reduction targets;
- Adopting industry best practices to improve energy efficiency in our operations;
- Encouraging our employees, suppliers and customers to reduce carbon emissions in their daily operations wherever practicable;
- Incorporating climate change considerations in our procurement processes and encourage the use of low carbon and energy efficient products and materials;

“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 firms to align their disclosures with investors’ needs.

The cost of climate risk is moving up the financial world’s agenda. Climate risk will be priced and climate innovation rewarded, accelerating, in turn, the environmental, social, and governance (ESG) trend that already rewards investments with lower cost of capital. COVID-19 and record-low fossil-fuel prices put further focus on the transition risks, and green stimuli in the wake of the crisis could further accelerate this trend.”



Photo by NOAA on Unsplash

Adaptation

- Assessing climate change and any associated financial and other risks and opportunities, in order to enhance our understanding of the impact of climate change on our 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 ships and projects;
- Adapting to climate change risks as part of our corporate risk management process;

Building Adaptive Capacity

- Incorporating climate change and extreme weather events into our 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 a voluntary 3% intensity year-on-year 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 Swire group. We will address this in more detail once the Swire group comes to a consensus on the most applicable Representative Concentration Pathway (RCP) to use for our scenario planning.

Further information:

www.ipcc.ch: <https://bit.ly/3eFDas5>

www.theguardian.com: <https://bit.ly/36Um4nR>

SPO has formally committed to:

- Reduce GHG emissions from our operations (SDG #7 and #13)
- Eliminate single-use plastic from our fleet and our offices (SDG #12)
- Switch to refrigerants with zero Ozone Depleting Potential (ODP) and lower Global Warming Potential (GWP) freons (SDG #13)

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

We have set ourselves a voluntary 3% intensity year-on-year reduction target for the reduction of our carbon footprint, which we measure and report on every quarter to our parent company.



Photo by Matt Palmer on Unsplash

Biodiversity

At SPO, we understand that maintaining and enhancing biodiversity is critical to the maintenance of a resilient natural environment and 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

a 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").

SPO partners with 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. For more information see *Our Communities* section of the report.

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.



To achieve our goal of sustainable development and in line with global biodiversity regulations, a greater understanding and emphasis of ecosystem resilience is required.

SPO's contribution towards biodiversity conservation efforts in Paraguay

SPO has been the Project Proponent of an internationally registered and independently audited project, The Paraguay Forest Conservation Project: Reduction of GHG emissions from deforestation and forest degradation since 2010. The project is helping to tackle the alarming rate of deforestation in the country and has many benefits for climate, community and biodiversity. This project is managed in partnership with Guyra Paraguay, a not-for-profit biodiversity conservation organisation.

The project targets two areas, namely in San Rafael in the Eastern Region of Paraguay (the Atlantic Forest) and in the Chaco-Pantanal ecosystem in the Eastern Alto Paraguay. Both areas have extremely high conservation value and are highly threatened. These ecosystems are also fundamental to rural and indigenous people. In San Rafael, in the South of Paraguay, the project area covers forests adjacent to the Reserve for San Rafael National Park. This is one of the largest contiguous fragments of forested area left in the country and it is rich in terms of biodiversity. Almost 79% of the Atlantic Forest endemic species present in the country are recorded in San Rafael.

The other project component takes place in Northern Paraguay. The project area lies in the moist transition zone between the Dry Chaco and Pantanal, with strong Humid Chaco characteristics. The project zone is defined by the area supporting the Quebracho-Palm Savannah mosaic.

With the support of the project, trap cameras have been acquired and installed in San Rafael and in the Pantanal to register its local species. Camera traps captured images of a number of animals demonstrating rich biodiversity of the project area. Through the analysis of the camera traps located in Tobich, an individual of *Panthera onca* (jaguar - jaguarete) species was recorded. The species has a wide range of distribution and globally falls under the category of Near Threatened (NT) according to the International Union for Conservation of Nature and Natural Resources (IUCN). This sighting is another testament that the good conservation of the protected project area provides ample shelter space for the animals.



The project is helping to tackle the alarming rate of deforestation in the country and has many benefits for climate, community and biodiversity.

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Our Communities

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 the areas of Community, Education, Environment and Biodiversity, Health and Youth.



Photo by Albert Vincent Wu on Unsplash

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 which we impact. 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 in the education within Singapore, both internally and externally, of the 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 the Maritime and Port Authority of Singapore (MPA) and taps on the International Maritime Cluster Fund-MCP to offer attachment opportunities (internship, management associates / trainees + overseas attachments). SPO also encourages our local employees to continuously upgrade their knowledge and expertise through MPA-approved training programmes.



The Swire Pacific Offshore Bursary at Nanyang Technological University supports two students with disabilities (when possible) and from low income backgrounds to undertake Engineering / Marine studies at the undergraduate level each academic year.

SPO invests in local talent pursuing qualifications in Nautical Studies and Marine Engineering at the Singapore Maritime Academy (SMA) via the Tripartite Maritime Scholarship Scheme (TMSS).

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.

As a maritime industry 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 through the Global Compact Network: Singapore (GCNS).

Due to the global pandemic, we were not able to offer visits to the Swire Marine Training Centre, participate in career fairs at local universities, or offer internship programmes in 2020 as we had in prior years. We hope to reinstate those activities when the situation improves.

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

SPO sponsored one student in 2020 from Regional Maritime University (West Africa). This was done in partnership with Adonai Shipping Ltd in Ghana.

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Photo by Felicia Buitenwerf on Unsplash

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 the 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 our 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.

Throughout 2020, ASSMDA conducted several activities in aid of seafarers' families and local communities, ranging from relief operations to assisting with the distribution of COVID-19 suitable Personal Protective Equipment (PPE) to communities. This social support was especially useful and necessary in a year when many seafarers were unable to be relieved on time due to pandemic travel restrictions, and thus were apart from their families for extended periods.



ASSMDA Board Members and ASSM office employees packing relief items in the ASSM training room.

ASSMDA's projects in support of seafarers and their communities during the pandemic

Taal Volcano eruption relief operations

The eruption of Taal Volcano in Batangas, the Philippines on 12th January 2020 spewed ashes across Calabarzon, Metro Manila, and some parts of Central Luzon and Ilocos Region, resulting in the suspension of school classes, work schedules and flights.

The provincial board of Batangas declared the province under a state of calamity following the eruption, and ordered the evacuation of residents within a radius of 14 kilometres from the volcano.

On 13th January, ASSMDA's Board approved a relief operation for ASSM seafarers and communities directly affected by the eruption. Packing of the relief items was done by volunteers, ASSM cadets and ASSMDA members.

Recycled 'Katsa' bags were used for packing which were previously made as ASSMDA's livelihood products. Distribution in various locations in Batangas and in the relocation zone for affected families was completed on 26th January.

ASSMDA's Board approved a relief operation for ASSM seafarers and communities directly affected by the eruption.



PPE items received by the Barangay Captain of Brg 146 Caloocan, Manila and a Thank You note from them to ASSM.



Distribution of face masks and face shields to ASSM seafarers' communities

The rapid onset of COVID-19 restrictions and local community quarantine requirements throughout the Philippines due to the global COVID-19 pandemic severely affected ASSMDA's outreach and community activities.

Most of ASSMDA's planned livelihood projects to help local communities from March to July in 2020 had to be suspended. ASSMDA made the decision to assist our seafarers' communities by distributing PPE and COVID-19 care packs in place of livelihood activities as its way of extending support during the pandemic. Areas of circulation were identified across the country upon consultation with seafarers and their dependents.

Our seafarers and their families acted as "local coordinators" to liaise with local officials to facilitate the distribution of the PPE. Boxes of PPE which comprised face shields, face masks and hand sanitising solution (where courier regulations allowed) were arranged to be sent to those in need using courier delivery.

The first batch of PPE to nine locations was approved for dispatch in August and the items were shipped to the beneficiaries in the first week of September. 89 sets of COVID-19 care packs, comprising one face shield and three face masks each, were also sent out. The second batch of 130 carepacks and PPE were sent out in October. The third batch, which consisted of 386 face masks and face shields, was sent out in November to 11 locations.

The first batch of PPE to nine locations was approved for dispatch in August and the items were shipped to the beneficiaries in the first week of September.

Partnership with Endangered Species International

South Mindanao, The Philippines

SPO partners with 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.

Achievements in the early part of 2020, before the pandemic put all travel and many countries into tight lockdown, included:

- 600 mangrove seedlings planted;
- 32 large sacks of non-biodegradable debris and waste collected;
- Raised awareness on the importance of mangroves as ecosystems in the community.

SPO sponsors our Filipino seafarers who work as volunteers for the rehabilitation of forests and mangroves for a period of five days.



Pictured above: The group of SPO volunteers and ESI employees with the pile of debris and waste gathered at the end of the clean-up exercise.

- 600 mangrove seedlings planted;
- 32 large sacks of non-biodegradable debris and waste collected;
- Raised awareness on the importance of mangroves as ecosystems in the community.



Pictured above: Volunteers and ESI employees collecting debris and waste along the mangrove and coastal areas.

During the five-day programme, volunteers learned basic techniques in propagating different species of mangrove trees and planted 600 mangrove seedlings belonging to three species.

SPO seafarers volunteer for the Sarangani Bay Coral Reef and Mangrove Conservation project in the Philippines

From 25th to 29th February 2020, SPO deployed another group of five volunteers to participate in the conservation efforts for coral reefs and mangrove forest at Glan and Malapatan, in Sarangani Bay Protected Seascape area in the Philippines.

This is a part of the ongoing programme in partnership with Endangered Species International (ESI).

SPO initiated this partnership in 2013 upon request from our Filipino seafarers who wanted to contribute towards marine and environmental conservation efforts in the Philippines. During this trip and for the first time, the project had two female members participating in the ESI-driven conservation programme.

During the five-day programme, volunteers learned basic techniques in propagating different species of mangrove trees, and planted 600 mangrove seedlings belonging to three species.

They worked alongside the local communities, youth groups and students to raise awareness on the importance of mangroves as ecosystems and instil a sense of ownership of looking after the environment.

Volunteers and ESI employees made sacks using drifting fishing nets and other debris collected along the shore. They amassed 32 large sacks of non-biodegradable debris and waste found along mangrove and coastal areas.

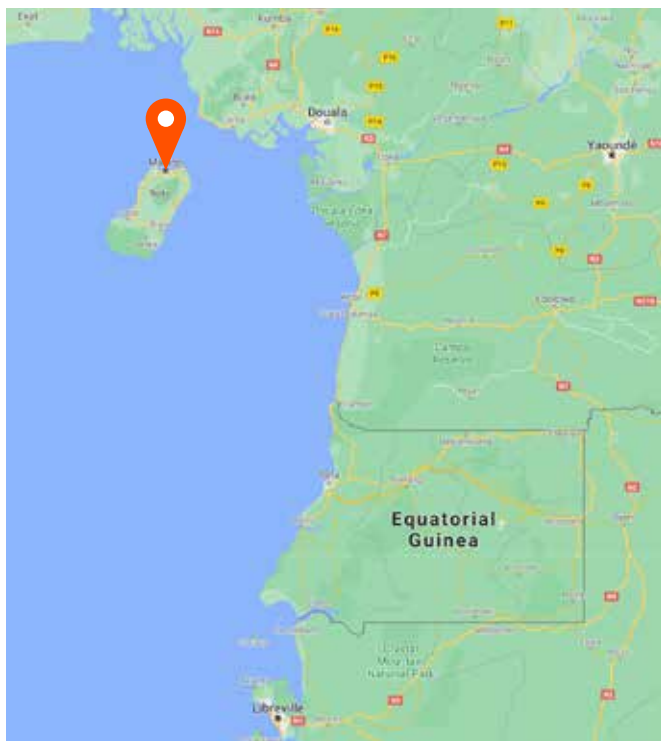
Volunteers snorkelled in the Malapatan and Glan Marine Protected Areas and observed first-hand the healthy and damaged coral reefs along the shallow areas. They also learned how to identify various fish species found in the coral ecosystem.

Construction of Kogo Hospital in Equatorial Guinea

SPO has been co-financing the construction of Kogo Hospital in Equatorial Guinea. This is a social welfare project in partnership with Ministry of Hydro Carbon, Equatorial Guinea. The general public of the littoral province of Malabo will be the main beneficiaries from this project. Funding is provided over 2020 and 2021 calendar years.

Malabo is the oldest city in Equatorial Guinea, and is located on the north coast of the island of Bioko. It has a population of approximately 297,000 inhabitants.

Spanish is the official language, but Equatorial Guinean Pidgin is used as a language of wider communication across Bioko island, including Malabo.



Above: Downtown Malabo
Left: Cathedral of Santa Isabel, Malabo

Photos: Wikipedia

Supporting Seafarers Globally

In 2020 SPO made an extra COVID-19 related donation of USD 25,000 to maritime charity, Sailors' Society, demonstrating our continued global commitment to supporting seafarers in need, at a time when crew changes were materially disrupted due to the pandemic.

The funds will go towards supporting Sailors' Society's work around the world, with half dedicated to the charity's work in the Philippines, where it has been rolling out mental health awareness, family resiliency workshops and pre-departure seminar modules for seafarers and families.



In these tough times, it is particularly important that we continue our support to seafarers and their families. The pandemic has impacted massively on the mental health and finances of so many and we've seen a huge increase in calls for help.

Between January and October 2020, we gave out 12 times the number of welfare grants than we did the previous year. We're really grateful to SPO for recognising the importance of investing in support for the maritime community's most vulnerable, especially in these challenging times."

Sara Baade
CEO, Sailors' Society



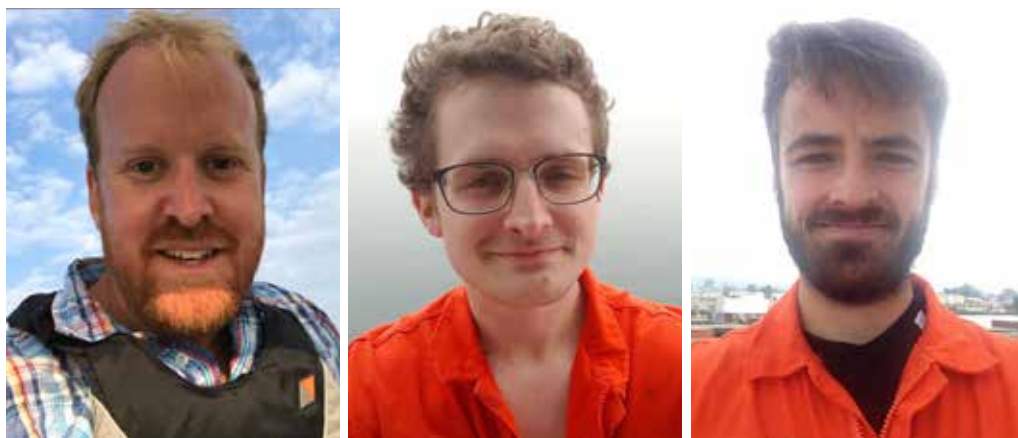
The funds will go towards supporting Sailors' Society's work around the world, with half dedicated to the charity's work in the Philippines, where it has been rolling out mental health awareness, family resiliency workshops and pre-departure seminar modules for seafarers and families.

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 2020 we were unable to organise employee volunteering events for our shore-based employees due to strict government regulations and lockdowns resulting from the ongoing COVID-19 pandemic.

Despite many charitable events being cancelled some of our seafarers found a way to raise money for their charities of choice by running around their hotel rooms while serving a quarantine period.



L - R: **Tommy Weir**, C/O, **Steve Tindale**, Master and **James Pine**, 2/O, SPO

SPO seafarers run 200 miles around their hotel rooms to raise funds for charity

At the end of May 2020, Master, Equatorial Guinea, Stephen Tindale, 2/O, James Pine and C/O, Thomas Weir left their homes and headed to Equatorial Guinea. Due to the ongoing COVID-19 pandemic, they had to be quarantined in a hotel for 18 days before they could go on board their respective assignments. Our energetic and warm-hearted seafarers decided to challenge their physical limits to conquer 66.6 miles in their hotel rooms over 10 days to raise funds for three charities, Sailors' Society, Sailor's Children's Society and Become.

Captain Steve Tindale said: "We were due to do a charity bike ride which was unfortunately cancelled because of the pandemic. We still wanted to do something, so we came up with the idea of the run. Certainly a bit more difficult when you are confined to a hotel bedroom!"

Being seafarers we wanted to support Sailors' Society and all they do to help crews through their wellness and mental health work. SPO has made Sailors' Society's Wellness at Sea programme available to us all and we've found it really helpful."

The trio created 'running tracks' by pushing furniture to the edges of their rooms and ran an incredible 5,600 laps each to complete their challenge.

"We were due to do a charity bike ride which was unfortunately cancelled because of the pandemic. We still wanted to do something, so we came up with the idea of the run. Certainly a bit more difficult when you are confined to a hotel bedroom!"

Steve Tindale, Master, SPO

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SPO's key stakeholder groups and areas of concern

Stakeholder	Engagement Mechanism	Areas of Concern
Employees: Shore-based	<ul style="list-style-type: none"> Employee Onboarding programmes Online Sustainability questionnaires Office visits in various locations Management briefs 	<ul style="list-style-type: none"> Financial Stability Energy Transformation Changing Workforce Demands Alternate Fuels Employee Engagement Supply Chain Management Pollution Prevention
Employees: Seagoing	<ul style="list-style-type: none"> Officer and crews' fora Training programmes ashore and on board our vessels Calls with Masters and senior officers Online Sustainability questionnaires 	<ul style="list-style-type: none"> Financial Stability Health and Safety, Zero Harm Waste Management Changing Workforce Demands Energy Transformation Supply Chain Management Protecting Human Rights of Our Employees Pollution Prevention
Clients	<ul style="list-style-type: none"> Continuous dialogue with clients to understand their needs and expectations Online Sustainability questionnaires Structured interviews Presentations to clients Client's compliance questionnaires and interviews 	<ul style="list-style-type: none"> Crewing Localisation Based on Operating Country Vessel Reliability Strategic Long-term Partnerships Strong Governance and Business Ethics Local Talent for Social Licence to Operate Safety and Sustainability Environmental Compliance Human Rights / MSA compliance
Government and Regulators	<ul style="list-style-type: none"> Regular engagement and dialogue with government agencies in Singapore and in regional offices (outports) 	<ul style="list-style-type: none"> Balance Sheet and Financial Sustainability GHG Emissions and Climate Impacts Cybersecurity and Terrorism Regulatory and Compliance Risks
NGOs / Communities	<ul style="list-style-type: none"> Corporate Philanthropic Projects' beneficiaries Employee engagement and volunteering activities Industry events Conferences Engagements at the outport level Questionnaires 	<ul style="list-style-type: none"> Supply Chain Management Environment and Climate Change GHG Emissions & Climate Impacts Ship Recycling Transparency and Business Ethics Governance / Management Labour / Social
Investors / Swire group companies	<ul style="list-style-type: none"> Board meetings Working groups / SD Committees Status updates 	<ul style="list-style-type: none"> Strong Balance Sheet / Financial Stability Reputation SwireTHRIVE targets
Suppliers (Incl. Legal, HR, GIAD)	<ul style="list-style-type: none"> Contract negotiations Internal Audits Compliance Performance evaluations Self- and physical audits of third-party suppliers 	<ul style="list-style-type: none"> Balance Sheet and Financial Sustainability Transparency and Business Ethics MSA Compliance

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>

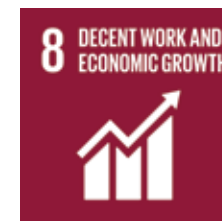
Because when the world in which we operate thrives, so do we.

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



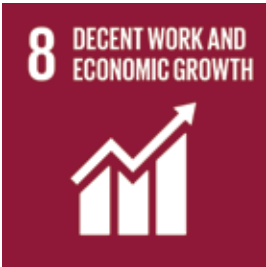
We will work with communities wherever we operate to improve people’s lives by:




- 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 2020 calendar year
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<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 • Dedicated crisis helpline and health and wellbeing app • <i>Wellness at Sea</i> course for seafarers • Environmental Policies and procedures to ensure <i>No Harm</i> 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 and Health and Safety • Long Service Awards and recognition programmes
 <p>5 GENDER EQUALITY</p>	<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 and Inclusion</p>	<p>See "Our People" section of the report.</p> <p><i>Areas covered:</i></p> <ul style="list-style-type: none"> • Diversity & Inclusion 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 (S-DISC)

Relevant SDG Goals	Links to SPOTHRIVE Strategy	Relevant SPO's Material Issues	Relevance to SPO's operations / Progress over 2020 calendar year
 <p>6 CLEAN WATER AND SANITATION</p>	<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>7 AFFORDABLE AND CLEAN ENERGY</p>	<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>8 DECENT WORK AND ECONOMIC GROWTH</p>	<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 Licence to Operate</p> <p>Diversity and 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) • Diversity & Inclusion SOP • 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 2020 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 and Inclusion</p> <p>Local Content / Social Licence 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"> • Diversity & Inclusion SOP 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 three vessels in the last five years) • SD Policies, 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 and Aquametro (marine fuel management solution)

Relevant SDG Goals	Links to SPOTHRIVE Strategy	Relevant SPO's Material Issues	Relevance to SPO's operations / Progress over 2020 calendar year
 <p>14 LIFE BELOW WATER</p>	<p>Protecting and, where viable, enhancing the biodiversity of environments that our operations impact.</p>	<p>Zero Harm</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"> • 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
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>Improving our corporate governance to reflect our stakeholders' interests.</p>	<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"> • 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>17 PARTNERSHIPS FOR THE GOALS</p>	<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 Licence 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	3	
Australia	6	3
Azerbaijan		
Brazil	2	
Brunei Darussalam	3	
Cameroon		1
Denmark	46	2
Equatorial Guinea	2	
Ghana	5	
Indonesia	8	
Malaysia	1	
New Zealand	4	
Norway		
Qatar	2	
Russian Federation		
Singapore	134	15
Taiwan region	1	
United Arab Emirates	31	6
United Kingdom	2	1
United States	1	1
Philippines	52	
Grand Total	303	29
%	91.3%	8.7%



91.3% of our shore-based employees were employed on a permanent basis with the remaining 8.7% being on temporary contracts. 98.5% of our shore-based employees were on full-time employment contracts.

Shore-based Employees

New Hires during 2020 by Country / Region, Age Group and Gender Identity

Country / Region Age Group

	Female	Male	TOTAL
Australia	1		1
< 30			
> 50			
30 to 50	1		1
Denmark	6	10	16
< 30	1	2	3
>50	2	2	4
30 to 50	3	6	9
Singapore	8	11	19
< 30	3	3	6
> 50			
30 to 50	5	8	13
United Arab Emirates	1	2	3
< 30		1	1
>50			
30 to 50	1	1	2
United Kingdom		1	1
< 30		1	1
> 50			
30 to 50			
Grand Total	16	24	40

New Hire Rate

Country / Region	Rate
Australia	11%
Denmark	33%
Singapore	13%
United Arab Emirates	8%
United Kingdom	33%
Overall	12%



Shore-based Employees

Turnover by Country / Region, Age Group and Gender Identity

Country / Region Age Group

Female Male TOTAL

Angola		1	1
< 30			
> 50			
30 to 50		1	1
Australia	5	2	7
< 30	2		2
> 50		2	2
30 to 50	3		3
Denmark	1	2	3
< 30			
> 50		2	2
30 to 50	1		1
Equatorial Guinea		2	2
< 30			
> 50		2	2
30 to 50			
Ghana	1		1
< 30	1		1
> 50			
30 to 50			
Indonesia	1		1
< 30	1		1
> 50			
30 to 50			

Country / Region Age Group

Female Male TOTAL

Qatar		1	1
< 30		1	1
> 50			
30 to 50			
Singapore	42	24	66
< 30	9	4	13
> 50	7	7	14
30 to 50	26	13	39
United Arab Emirates	3	5	8
< 30	1		1
> 50		1	1
30 to 50	2	4	6
United Kingdom	2		2
< 30			
> 50	1		1
30 to 50	1		1
Grand Total	55	37	92

Turnover Rate

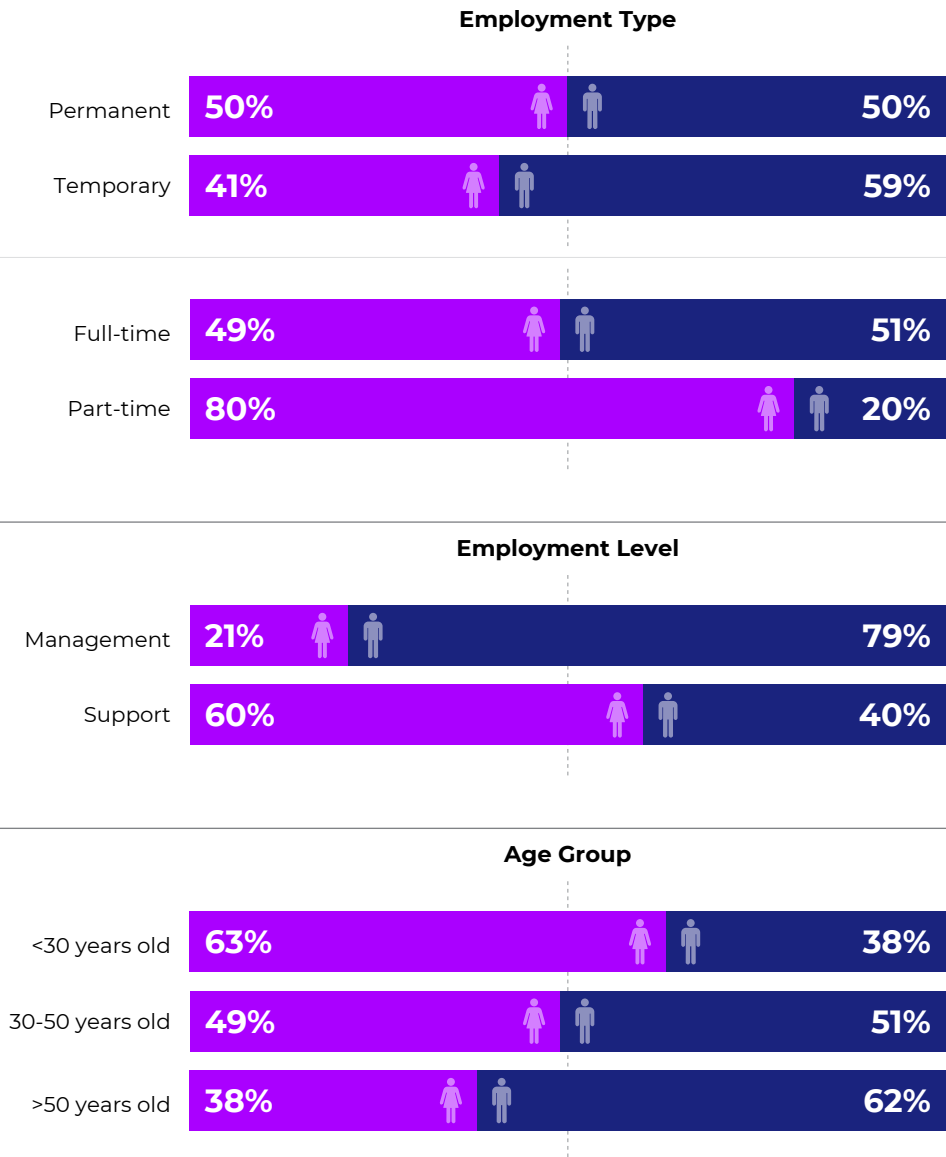
Country / Region Rate

Angola	33%
Australia	78%
Denmark	6%
Equatorial Guinea	100%
Ghana	20%
Indonesia	13%
Qatar	50%
Singapore	44%
United Arab Emirates	22%
United Kingdom	67%

Overall 28%

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

Shore-based employees breakdown by gender identity



Seagoing employees breakdown by job category

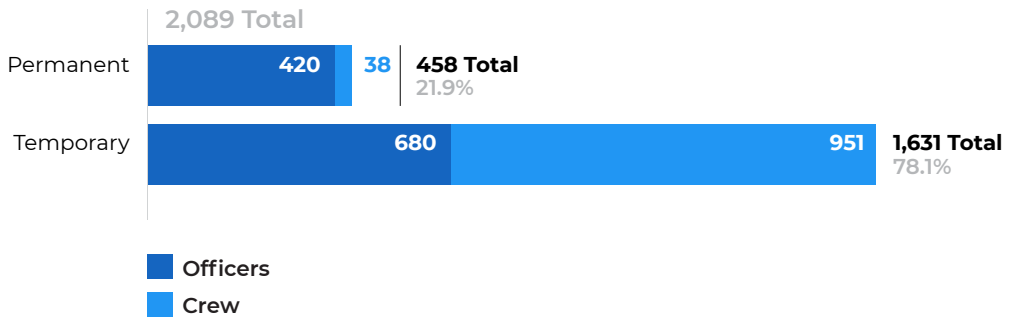


Photo by Matthew Albanus, Master, SPO



Training



Average number of training hours for seagoing employees:

15.33
hours per person (discretionary training)

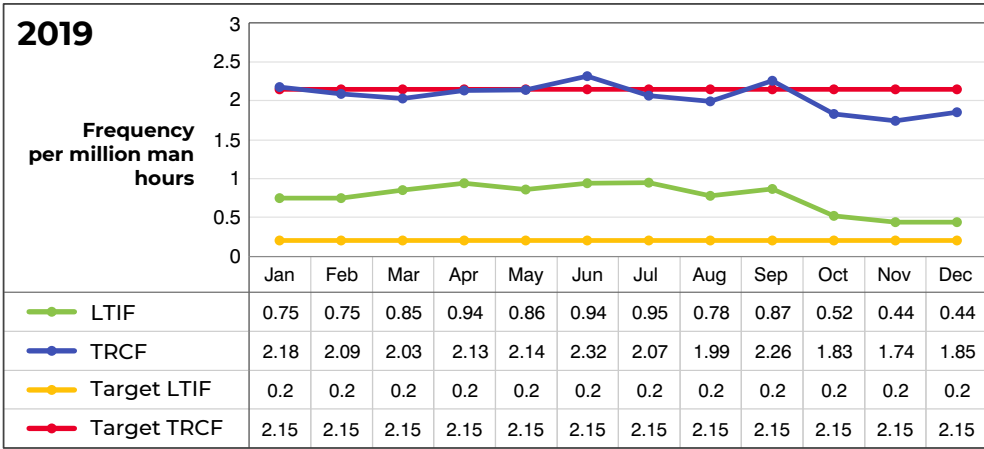
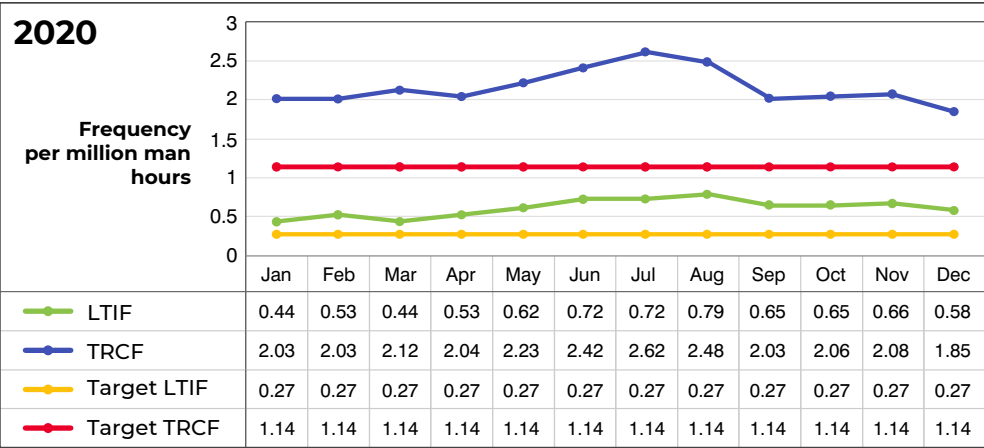
12.65
hours per person (non-discretionary training)



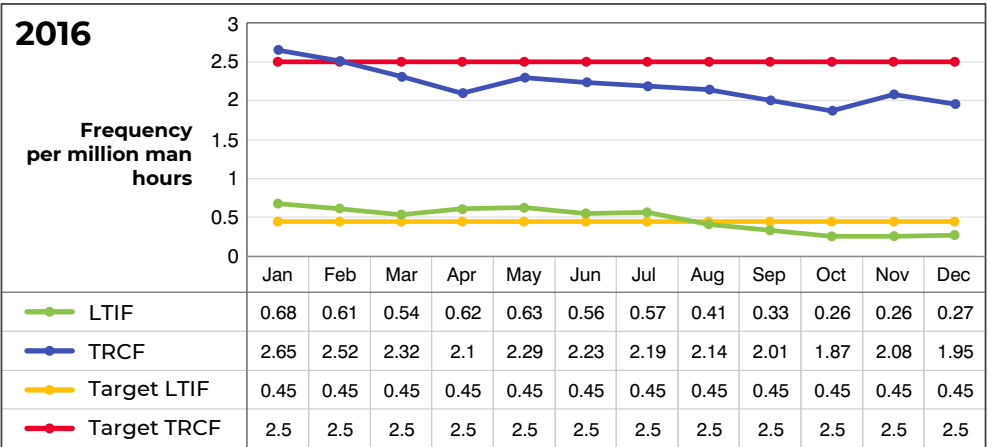
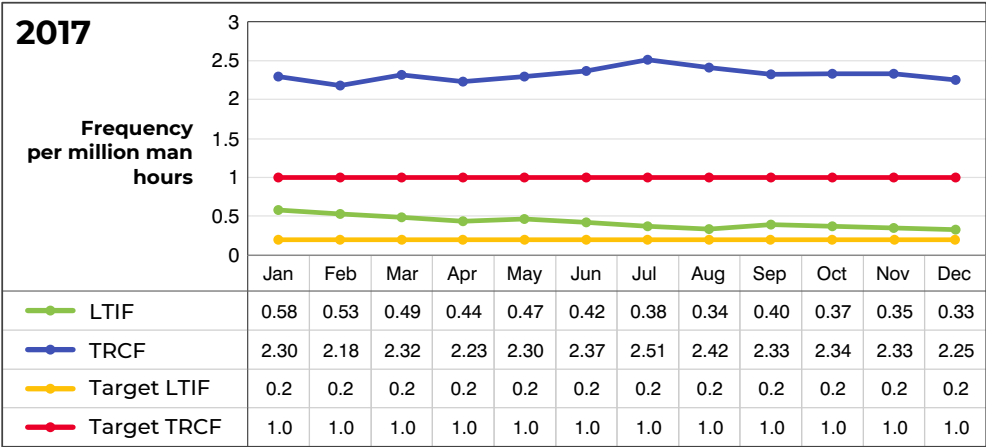
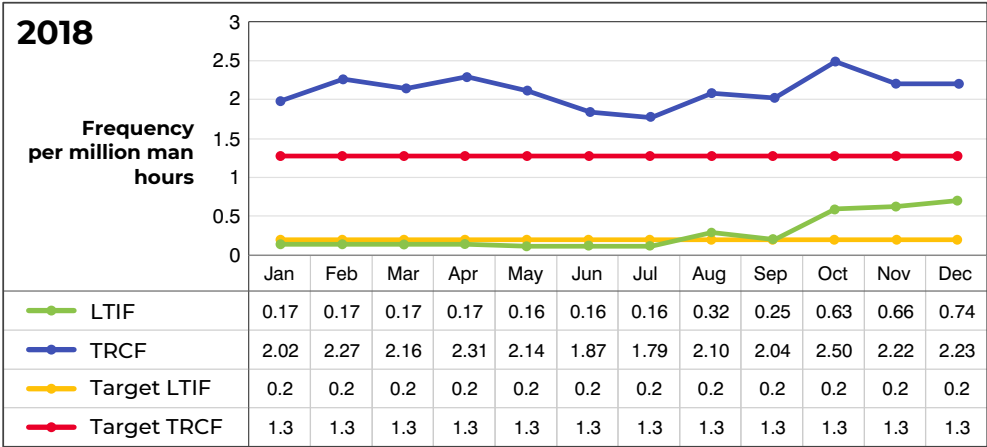
Photo by Matthew Albanus, Master, SPO

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.

12 Month Rolling Average LTIFR and TRCFR Against Target



12 Month Rolling Average LTIFR and TRCFR Against Target



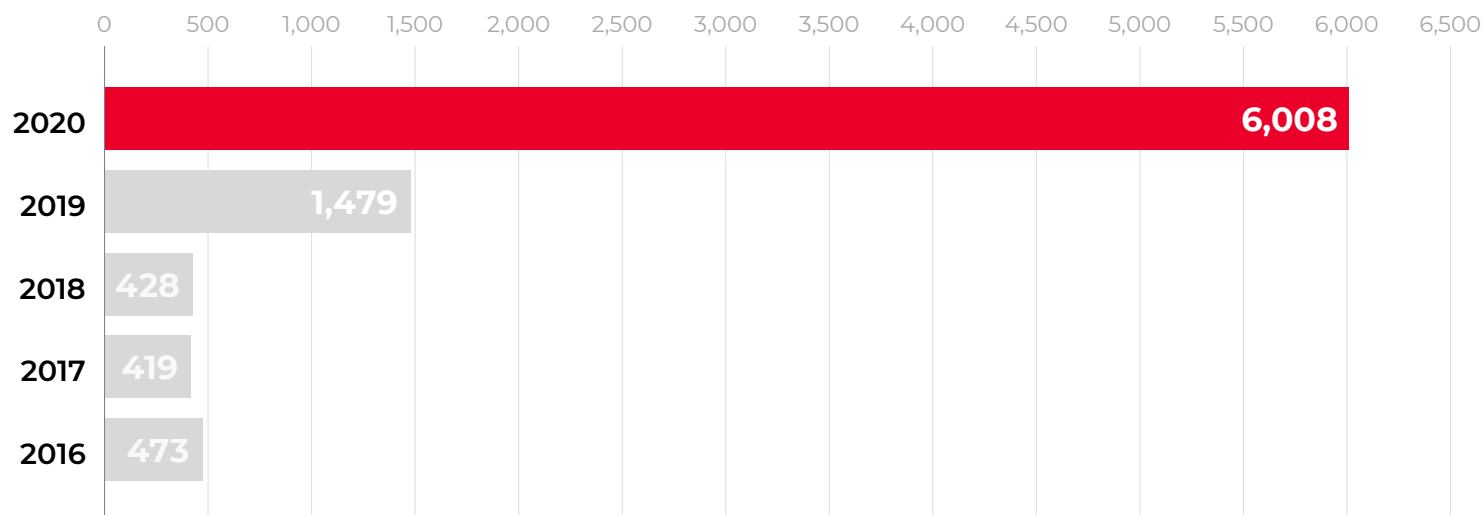
SPO tracks our Lost Time Injury Frequency Rate (LTIFR) and Total Reportable Case Frequency Rate (TRCFR) – generally per million manhours – as lagging indicators of our safety performance.

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)
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
2020	10,286,333	6	0.58	0.12	19	1.85	0.37
Average Stats	11,401,435	5.60	0.47	0.10	23.80	2.08	0.42

Number of Near Miss and Hazard Reports

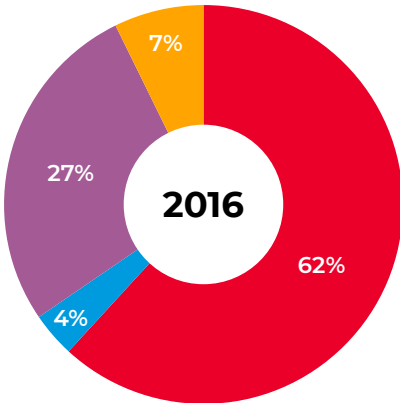
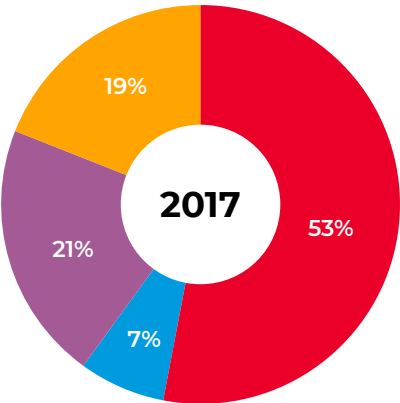
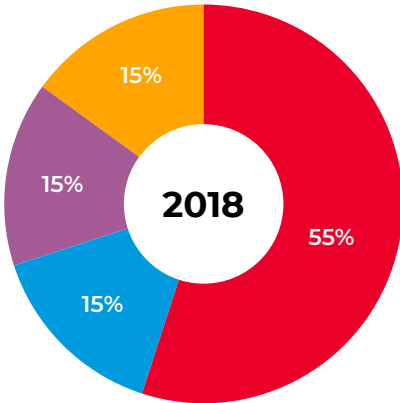
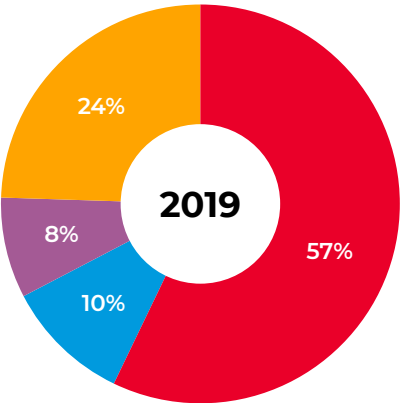
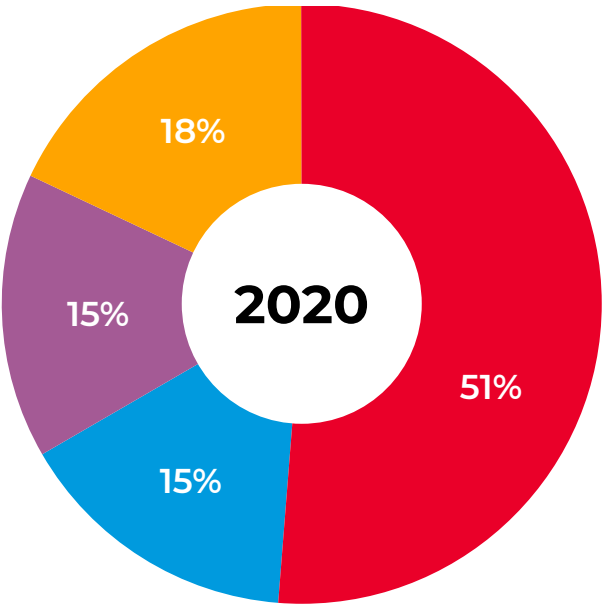


The increase in near miss and hazard reports is a positive metric which is symptomatic of an interdependent safety culture.

2017 onwards figures include Swire Seabed

1st October 2020 onwards figures excludes SBO / Cadeler figures

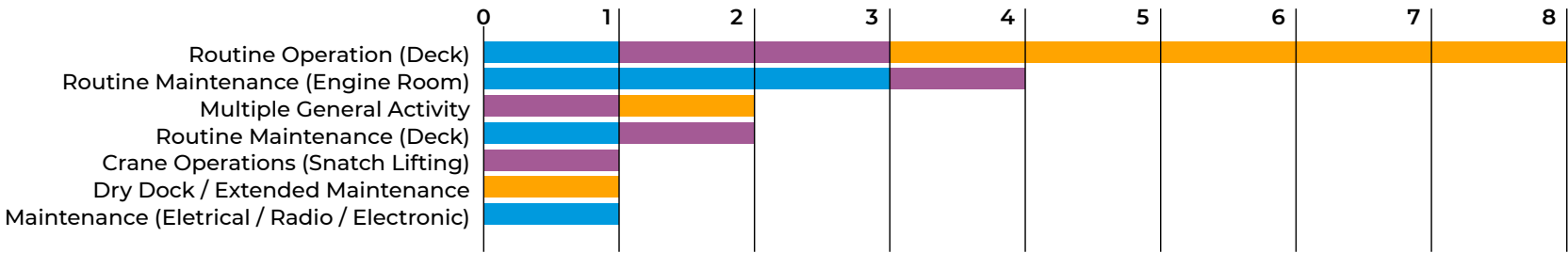
Total Number of Incidents by Category



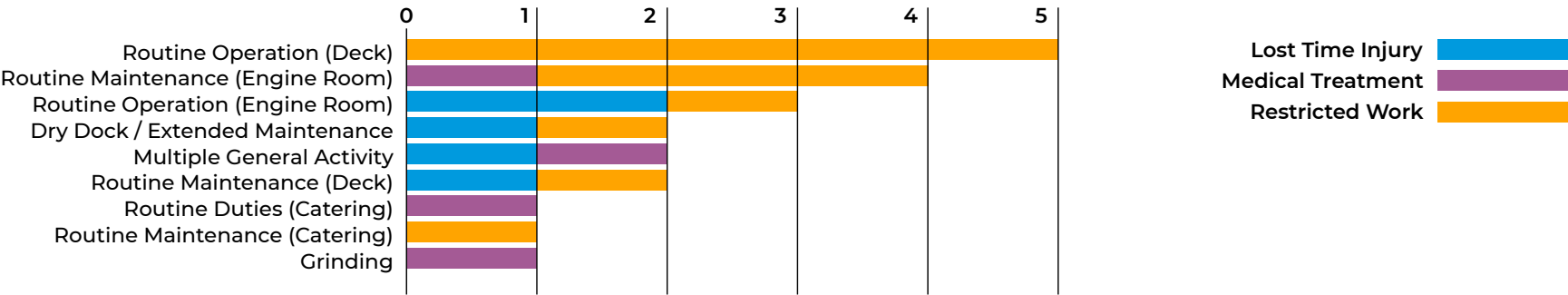
- Lost Time Injury
- Medical Treatment
- Restricted Work
- First Aid

Total Recordable Cases by Tasks Performed

2020

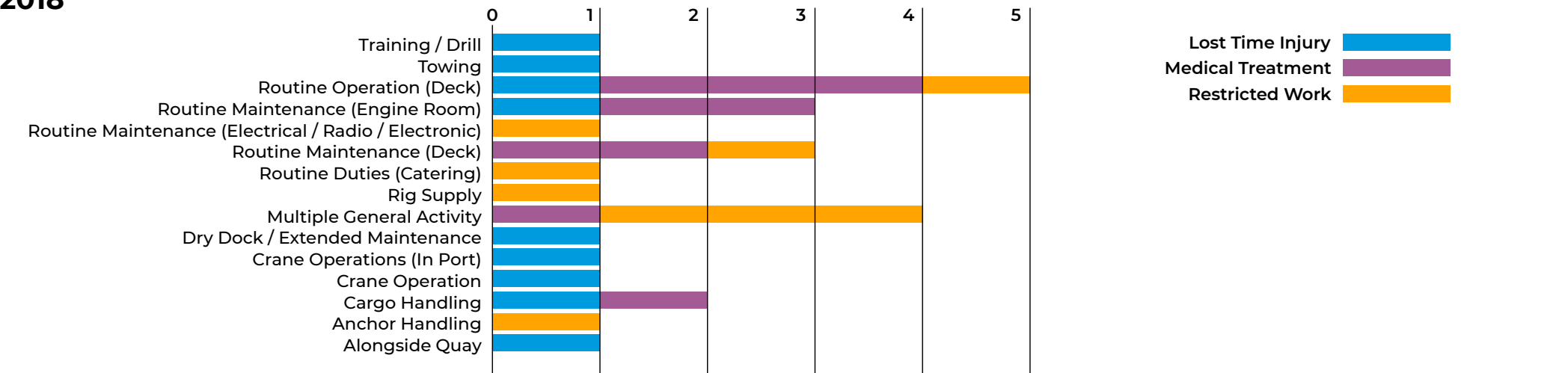


2019

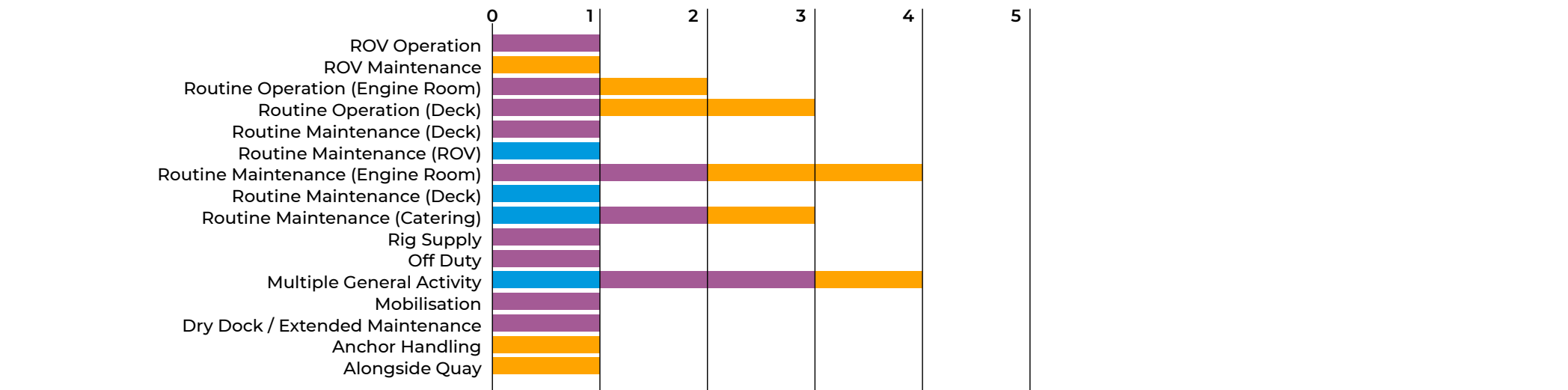


Total Recordable Cases by Tasks Performed

2018

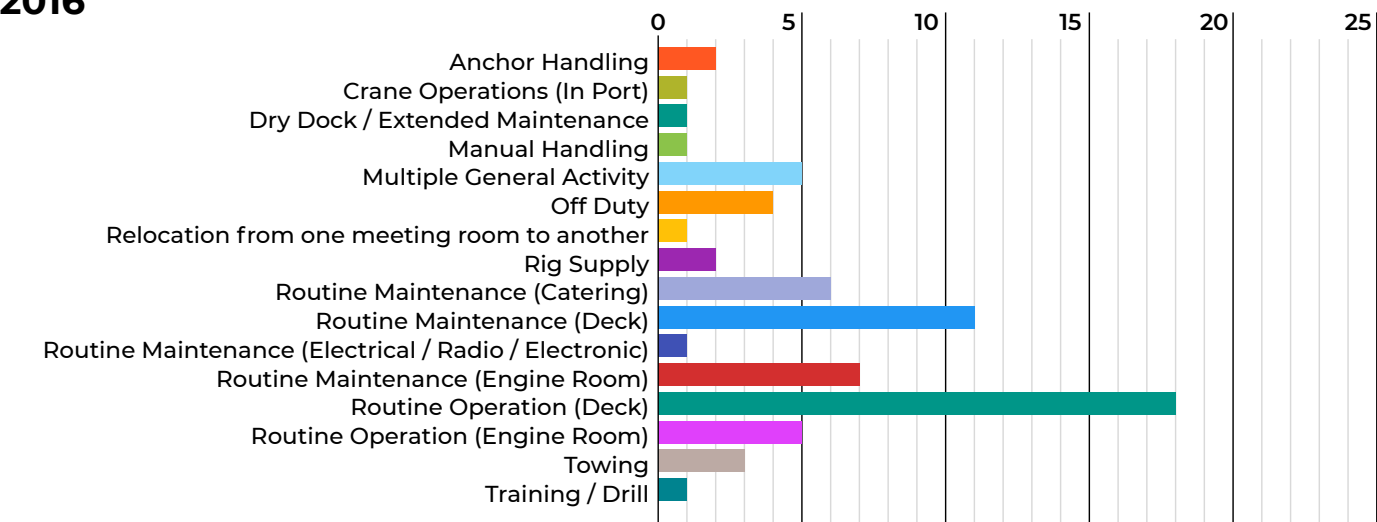


2017



Total Recordable Cases by Tasks Performed

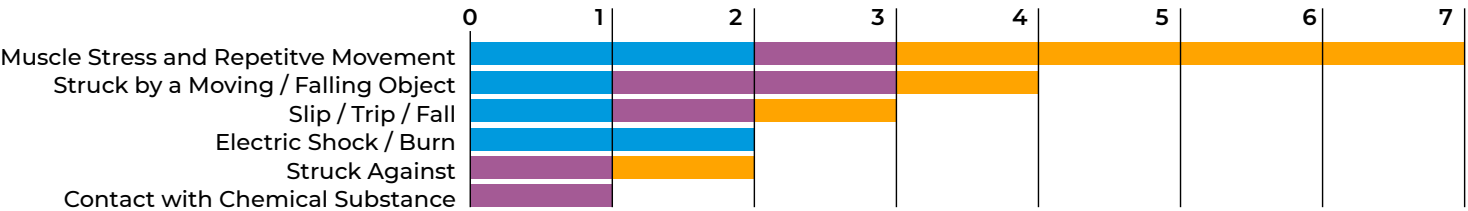
2016



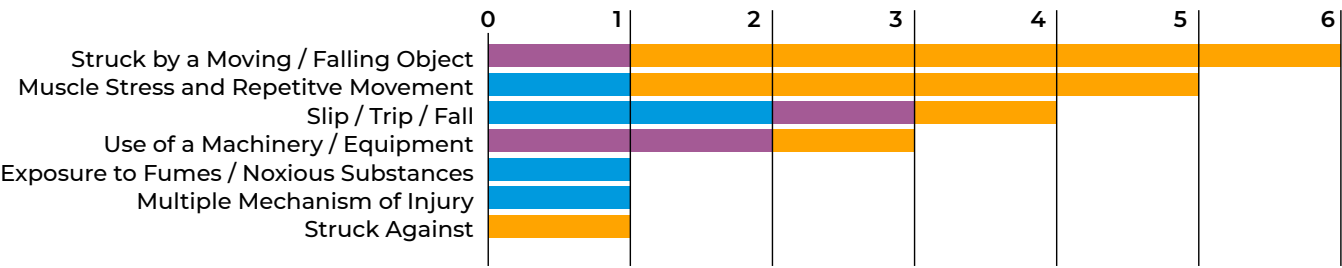
Whilst adapting to the challenges posed by COVID-19, SPO also embraced the pandemic as a ‘catalyst for change’. This was done through implementing key safety initiatives, enhancement projects and interventions to simplify core procedures and drive sustainable change in behaviour.

Total Recordable Cases by Type of Accident

2020



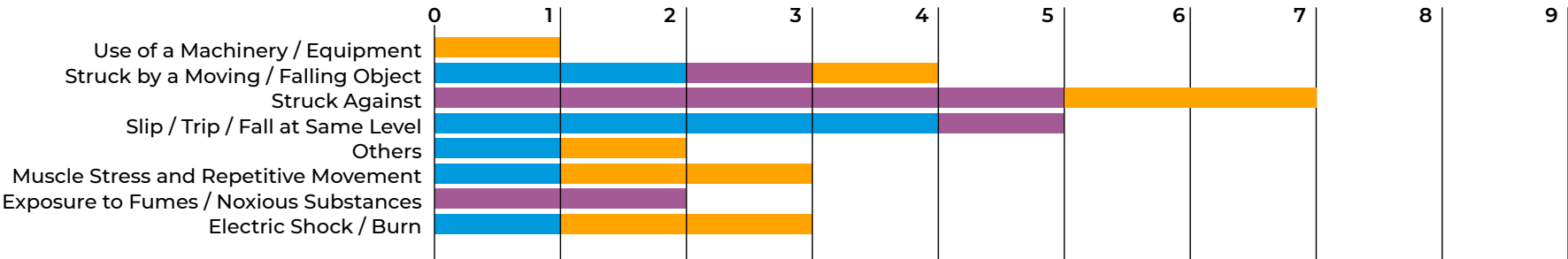
2019



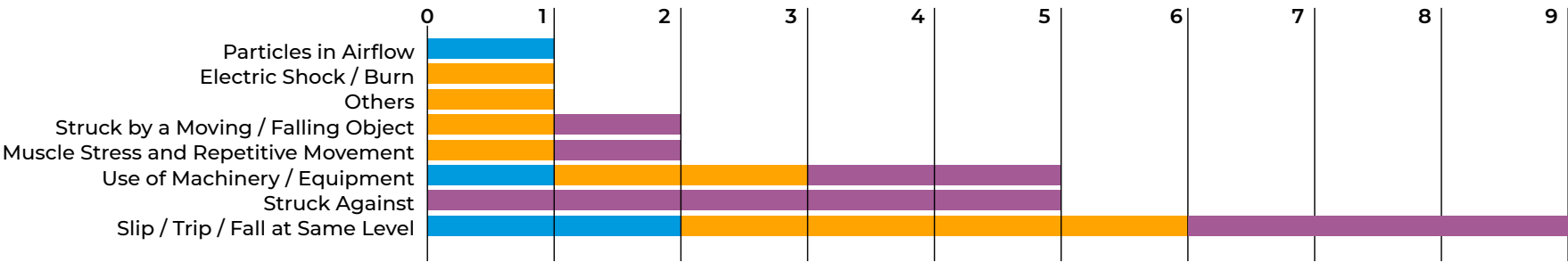
Lost Time Injury
Medical Treatment
Restricted Work

Total Recordable Cases by Type of Accident

2018



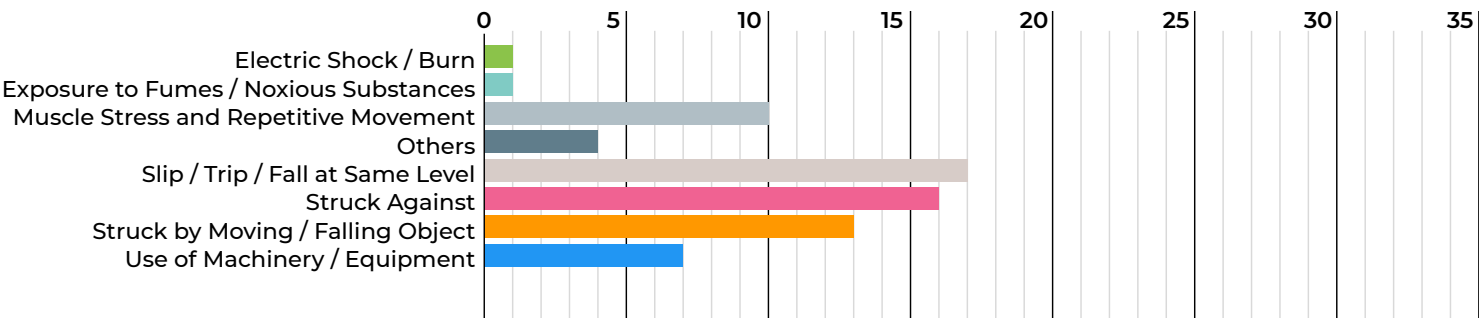
2017



Lost Time Injury
Medical Treatment
Restricted Work

Total Recordable Cases by Type of Accident

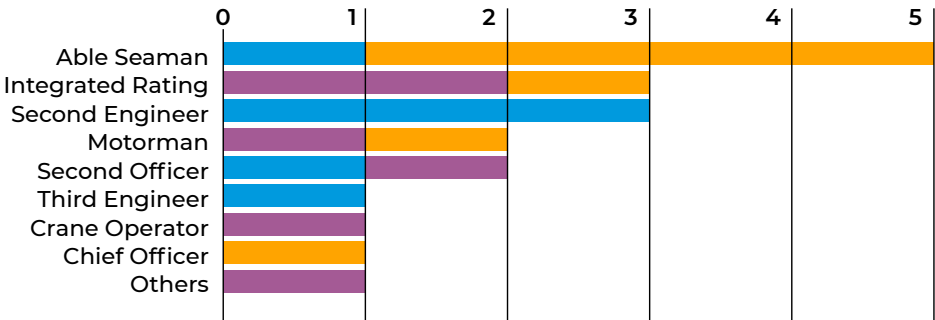
2016



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

Total Recordable Cases by Rank

2020

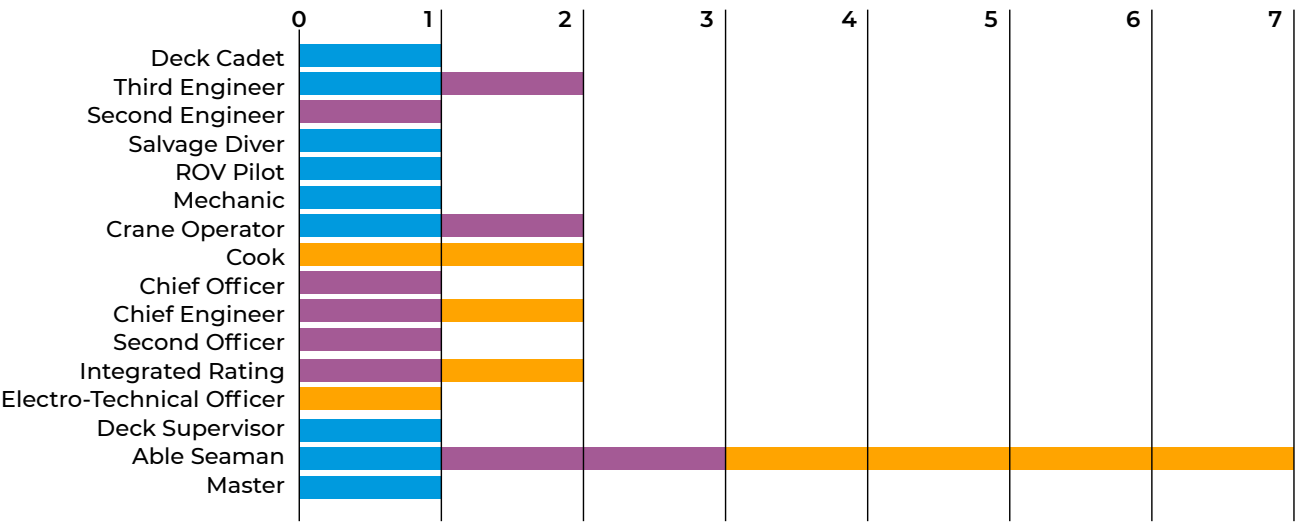


2019

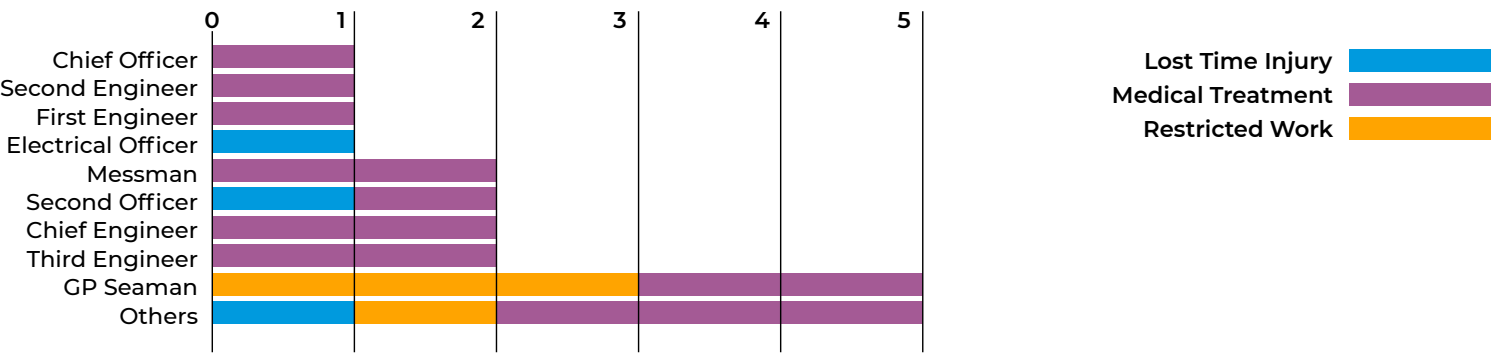


Total Recordable Cases by Rank

2018

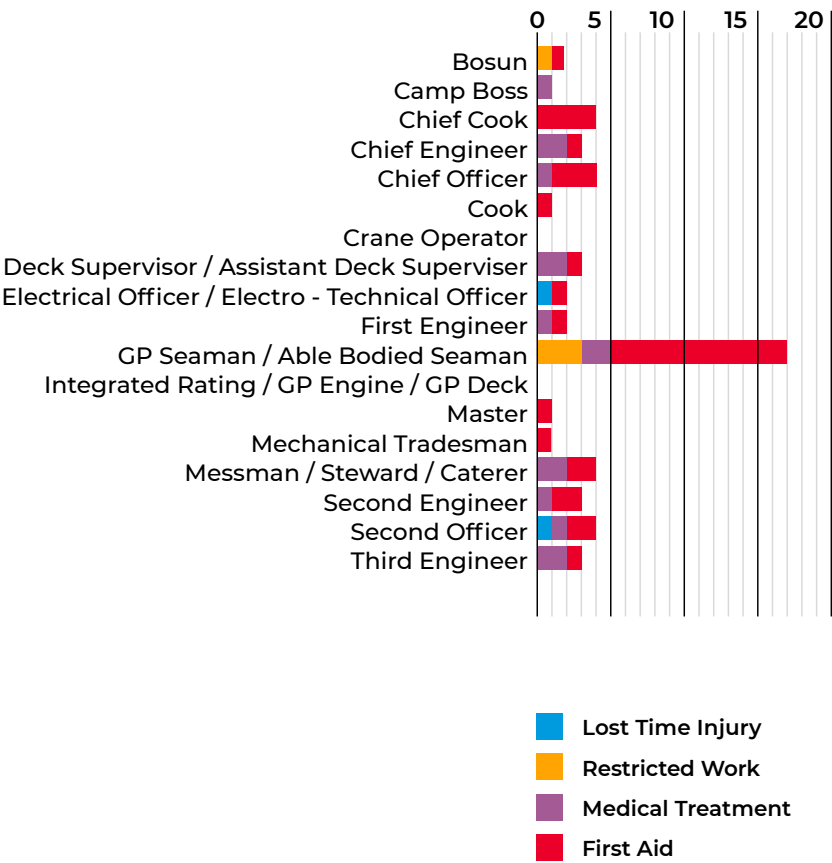


2017



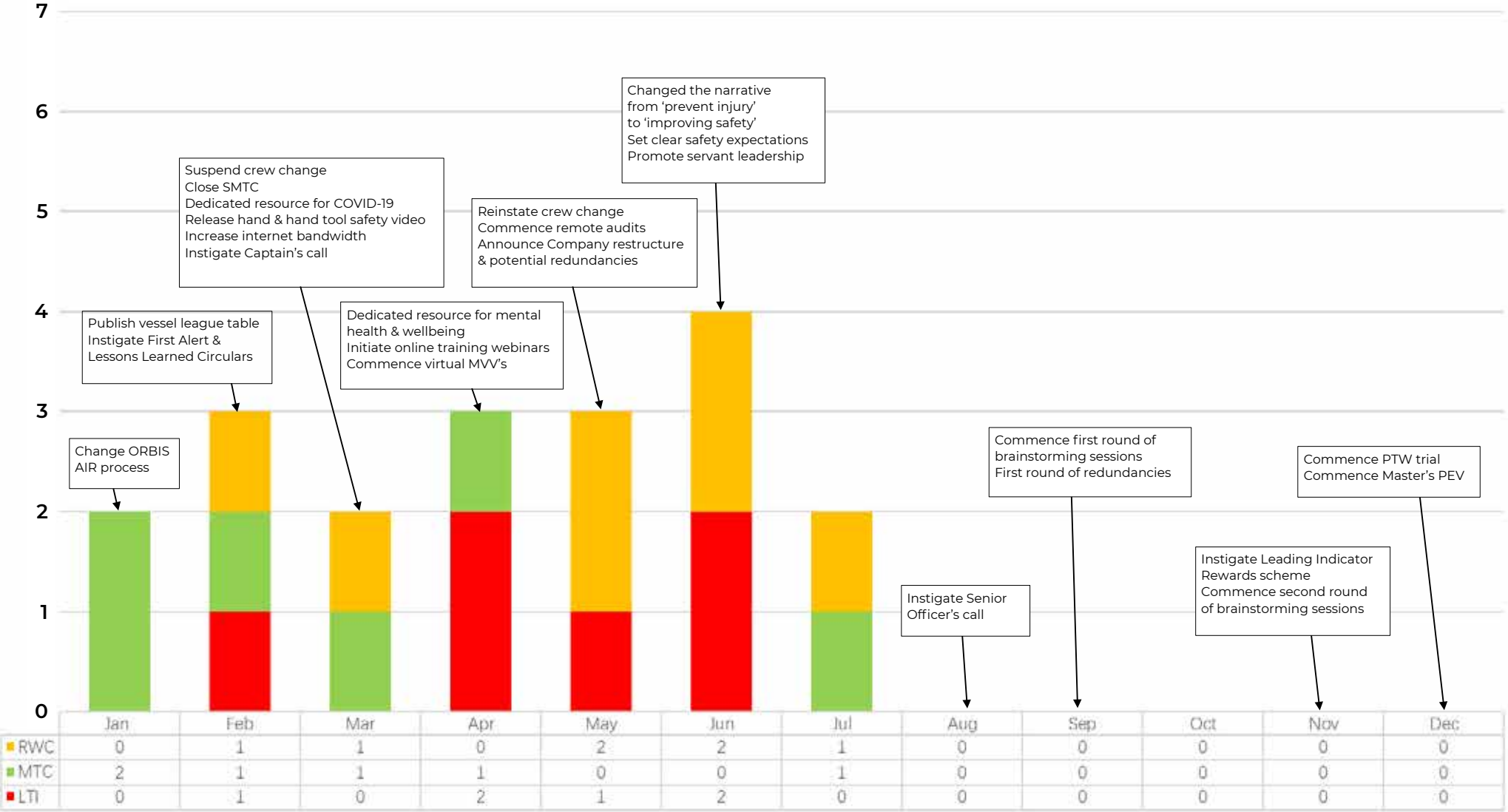
Total Recordable Cases by Rank

2016



To reinforce positive behaviours, we enhanced our recognitions scheme with the award of a safety certificate, created and published a vessel league table and introduced a reward for the ‘best’ leading indicator each month.

Interventions to drive sustainable change in behaviour



Recordable injuries with key interventions overlaid

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 Indicator
EPA	US government: Environmental Protection Agency
ESI	Endangered Species International
ETS	Emission Trading Scheme
FOE	Fleet Operational Efficiency
FSL	Fleet Supplier List
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
LTJ	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 2020 _____

GRI Standards Content Index

Disclosure level:		Core	General Disclosures 2020		
GRI Standard Number	GRI Disclosure Number	Disclosure Title	Cross-reference / Answers / Notes / Omissions	Report location: Page Number / URL	Reason for Omission
GRI 101:	Foundation 2016				
GRI 102:	General Disclosures 2016				
	Organisational Profile				
GRI 102	102-1	Name of the organisation	Swire Pacific Offshore (SPO)	This Content Index.	
GRI 102	102-2	Activities, brands, products, and services	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 17-22	
GRI 102	102-3	Location of headquarters	HQ is in Singapore.	Page 18	
GRI 102	102-4	Location of operations	For description of countries of operations please see the "Governance" section of the report.	Pages 18-19	
GRI 102	102-5	Ownership and legal form	SPO is part of the Swire Pacific group, publicly listed on Hong Kong stock exchange.	Page 17 www.swire.com	
GRI 102	102-6	Markets served	Please see the "Governance" section of the report.	Page 18	
GRI 102	102-7	Scale of the organisation	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 18, 22, 41-46	
GRI 102	102-8	Information on employees and other workers	"Our People" section of the report: "Employee profile" and Annex titled: "Employment data". 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 41-45, 47-52, 133-137, Content Index Disclosure and "Our People" Section	

GRI 102	102-9	Supply chain	<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 supplier 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, de-activated from the Fleet Supplier List (FSL).</p> <p>SPO's procurement function is exclusively focused on providing the on-board requirements for its fleet of vessels. 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/Japan).</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 37-38	
GRI 102	102-10	Significant changes to the organisation and its supply chain	<p>The in-bound logistics / supply-chain in support of fleet activity remained essentially unchanged in 2020, in respect of materials sourcing, supply points and consolidation for destination delivery model from the agreement entered into in Q4 2019 with an international logistics management and freight handling / forwarding company.</p> <p>SPO disposed of several vessels in 2020, shut down Swire Seabed operations and transitioned SBO to become an independent entity. As a result of this downsizing, the procurement department has been reduced in size. The position of Supply Chain Manager in Singapore ceased to exist. The role has been transferred to SPO AUS and is managed from that office under a different job description and title: Purchaser and Supplier Account Lead. This person still reports directly to the SPO Technical Director.</p>	Page 18, 61-63	
GRI 102	102-11	Precautionary principle or approach	<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" and "Climate-related Risks, Opportunities and Risk Management" sections for more details.</p>	Page 82, 108	
GRI 102	102-12	External initiatives	<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 - voluntary since 2013 • Ship Recycling Transparency Initiative - voluntary since 2018 • UK Modern Slavery Act 2015 (MSA) - global compliance, voluntary since 2016 • Australian Modern Slavery Act 2019 (MSA) - since 2019 <p>Also see "Message from General Manager – Sustainable Development".</p>	Page 9 and this Content Index.	

GRI 102	102-13	Membership of associations	<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) 	This Content Index.	
Strategy					
GRI 102	102-14	Statement from senior decision-maker	See Managing Director's message.	Pages 5-7	
Ethics and Integrity					
GRI 102	102-16	Values, principles, standards, and norms of behaviour	<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 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 Pages 17, 57 https://bit.ly/35OQA2y</p> <p>SPO's website: https://bit.ly/3avv7vz</p>	
Governance					
GRI 102	102-18	Governance structure	<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 Executive 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 Managing Director 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 23	

Stakeholder Engagement					
GRI 102	102-40	List of stakeholder groups	Investors / Swire group companies: Shareholders / JS&S Board / UK Head Office and other Swire group companies (Private and Public) Employees: seagoing employees Employees: shore-based employees (senior executives / mid-level managers / managers / other) Government and Regulators: Classification societies NGOs / Communities: Local key stakeholder communities / corporate philanthropic funds recipients / not-for-profit organisations Suppliers: Legal / HR / Auditors / MGO and LO suppliers	Page 124	
GRI 102	102-41	Collective bargaining agreements	3.11% of total employees are covered by Collective Bargaining or Enterprise Bargaining Agreements (SPSM Australia seagoing employees only). Shore-based employees are not covered by collective bargaining agreements as they are subject to labour laws and conditions in jurisdictions where SPO operates.	Page 56	
GRI 102	102-42	Identifying and selecting stakeholders	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. Throughout 2018 and 2019, we engaged with shore-based and seagoing employees, customers, NGOs, regulators and other stakeholders within our industry. In 2020 we engaged with shore-based and seagoing employees to ensure we address their COVID-related concerns.	Page 124	
GRI 102	102-43	Approach to stakeholder engagement	Materiality assessments are conducted as a follow up on the Sustainable Development presentations for shore-based and seagoing employees. Our stakeholder consultation programme cover 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.). In 2020, the engagement was undertaken using the on-line questionnaires. 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 on-line structured questionnaires. See the "Stakeholder Engagement and Materiality" section of the report. We aim to run external engagement and consolidation of results once every three years.	Pages 26-28, 124	
GRI 102	102-44	Key topics and concerns raised	Key issues of concern are stated under the "Stakeholder Engagement and Materiality" section of the report and the Materiality Matrix. Key topics / concerns for each stakeholder group are presented under "Stakeholder Engagement and Materiality" section of the report. 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.	Pages 26-28, 124 This Content Index.	

Reporting Practice					
GRI 102	102-45	Entities included in the consolidated financial statements	See the "Organisational Structure and Boundaries" section of the report Swire Blue Ocean (SBO) went for IPO on the Oslo Stock Exchange on 27 November 2020. We have included SBO's data in this report for the period from 1 January till 27 November 2020.	Page 22	
GRI 102	102-46	Defining report content and topic boundaries	Report content and topic boundaries reflect the Materiality Matrix. Stakeholder consultation processes were 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. 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, societal expectations 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.	Pages 10, 28, 124	
GRI 102	102-47	List of material topics	See "Materiality Matrix" Annex Material issues are assessed based on: <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 Material issues include: <ul style="list-style-type: none"> - Access to and Affordability of Oil - Alternate fuels - Cybersecurity - Diversity and Inclusion - Energy Transformation - GHG Emissions and its Climate Impact / Alternate Fuels - Health and Safety/ Zero Harm - Labour Practices and Human Rights - Local Content / Social Licence to Operate - Physical Security - Strong Governance and Business Ethics - SPO's Strong Balance Sheet / Financial Stability 	Page 28	
GRI 102	102-48	Restatements of information	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.	This Content Index.	
GRI 102	102-49	Changes in reporting	Organisational boundaries changed over the course of 2020. Swire Blue Ocean (SBO) went for IPO on 27 November 2020 and is no longer part of SPO group.	Page 18	
GRI 102	102-50	Reporting period	See the "Introduction" section of the report: January to December 2020.	Page 10	
GRI 102	102-51	Date of most recent report	Sustainability report for 2019 calendar year.	This Content Index.	

GRI 102	102-52	Reporting cycle	Annual	Page 10	
GRI 102	102-53	Contact point for questions regarding the report	Contact section of the report. General Manager - Sustainable Development is the key contact.	Page 174	
GRI 102	102-54	Claims of reporting in accordance with the GRI Standards	Report for the year 2020 has been prepared in accordance with the Global Reporting Initiative's (GRI) Standards: Core option.	Page 7	
GRI 102	102-55	GRI content index	This table.	Pages 155-173	
GRI 102	102-56	External assurance	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. SPO's MD approves the report prior to publication. 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.	Page 175	
Material Topics					
Health and Safety / Zero Harm					
GRI 103 MANAGEMENT APPROACH 2016	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 	<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.</p> <p>This topic covers Safety of our fleet operations and in our offices.</p> <p>We measure the effectiveness of our management approach in terms of our key performance indicators, quarterly meetings, customer feedback and lost days from incidents, and address through updating 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>Stop Work Policy https://bit.ly/35SxsRq</p> <p>Pages 25, 70, 138-151</p>	

GRI 403 OCCUPATIONAL HEALTH & SAFETY 2018	403-1	Occupational health and safety management system	<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 HQ 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 & analysing leading & lagging indicators, conducting internal audit, management visits, officer & crew forums, workshops, formal review & 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 & for Pollution Prevention (International Safety Management (ISM) Code). - Adopted OSHA Injury and Illness Recordkeeping & Reporting Requirements (Safety Management Manual (SMM) section 9.0). - All occupational health & safety professionals are employed by the Company; the Global Head, HSE & HSE Manager (in Head Office) are formally qualified. 	Page 80 This Content Index.	
GRI 403 OCCUPATIONAL HEALTH & SAFETY 2018	403-2	Hazard identification, risk assessment, and incident investigation	<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 & 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 & 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 & Manual for Accident / Incident & High Potential Near Miss Investigations, all work-related incidents, including high potential near misses are fully investigated by the Master on board & 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> <p>Onshore safety is being addressed by the Onshore Safety Committees that meet quarterly.</p>	Pages 70-80 Stop Work Policy https://bit.ly/35SxsRq	

GRI 403 OCCUPATIONAL HEALTH & SAFETY 2018	403-3	Occupational health services	<p>In compliance with the requirements of the International Labour Organisation (ILO) Maritime Labour Convention, 2006 namely Regulation 4 'health protection, medical care, welfare and social security protection', 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 is 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. 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) and industry standard medical examination.</p> <p>Records of personal health related information is maintained on the Companies propriety system with controlled access to maintain confidentiality. Personal health-related information is not shared with any other third parties.</p>	N/A	
GRI 403 OCCUPATIONAL HEALTH & SAFETY 2018	403-4	Worker participation, consultation, and communication on occupational health and safety	<p>Participation and consultation on occupational health and safety (H&S) matters on board is achieved by conducting monthly HSE meetings. Minutes of meetings are recorded in Orbis and subject to management review. 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. Relevant information on occupational health and safety is promulgated to all employees by Circulars and/or Safety Flashes (SMM section 11.2). All employees are invited to participate in the occupational health and safety meetings.</p> <p>As per SOLAS Regulation 3 Chapter IX and ISM Code section 12 'Company verification, review and evaluation' appraisal of the effectiveness of the SMS is an ongoing process. Improvement suggestions may be submitted using a document change request or recorded in Orbis; in either case all suggestions are reviewed by the relevant discipline expert.</p> <p>Safety committees are held in compliance with the requirements of the ISM Code and industry best practice guidance, namely the 'Code of Safe Working Practices for Merchant Seamen'. Head Office safety committees have defined terms of reference.</p>	This Content Index.	
GRI 403 OCCUPATIONAL HEALTH & SAFETY 2018	403-5	Worker training on occupational health and safety	<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 Companies 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 detail on in-house courses, please see the "Competence Assurance" and "Safety Training" sections of the report.</p>	Pages 58-60, 79	
GRI 403 OCCUPATIONAL HEALTH & SAFETY 2018	403-6	Promotion of worker health	<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>Welfare Committee (SPARK) organises events to promote healthy life styles. Events cover: bike rides, running and Pilates classes in our Singapore office and webinars on a number of wellness related topics.</p>	Pages 13, 61-68	

GRI 403 OCCUPATIONAL HEALTH & SAFETY 2018	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<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 persons 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>	This Content Index.	
GRI 403 OCCUPATIONAL HEALTH & SAFETY 2018	403-8	Workers covered by an occupational health and safety management system	<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. Our operations are in full compliance with the ISM Code.</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 3 (of 8) 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>	This Content Index.	
GRI 403 OCCUPATIONAL HEALTH & SAFETY 2018	403-9	Work-related injuries	<p>Company reports the following for all employees:</p> <ul style="list-style-type: none"> • Fatalities • Recordable work-related injuries including Lost Time Incidents, 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 75, 80, 138-151	

Strong Governance and Business Ethics					
GRI 103 MANAGEMENT APPROACH 2016	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 	<p>One of SPO's strategic objectives is to: "Manage our Business Sustainably". 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 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>This topic covers all Operating and Manning companies detailed in the Organisational Boundaries diagram included in this report.</p> <p>See the "Fines and Grievances" subsection under the "Governance" section of the report for more information.</p> <p>Seven issues were reported through this process during the reporting period and dealt with by the management.</p>	<p>Code of Conduct https://bit.ly/35OQA2y Pages 23-26, 31-32, 34-36</p>	
GRI 205 ANTI-CORRUPTION 2016	205-1	Operations assessed for risks related to corruption	<p>SPO's Corporate Code of Conduct (CoC) 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>	Pages 31-32	
GRI 205 ANTI-CORRUPTION 2016	205-2	Communication and training about anti-corruption policies and procedures	<p>For more information see "Anti-corruption, Anti-trust and Monopoly Practices" sub-section of the "Governance" section of the report.</p> <p>All 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> <p>100% of all SPO employees receive training on Code of Conduct.</p>	Page 31	
GRI 205 ANTI-CORRUPTION 2016	205-3	Confirmed incidents of corruption and actions taken	<p>There was one reported case of potential breach of CoC with respect to Bribery, Corruption, Facilitation Payments etc. in 2020 (was found unsubstantiated).</p> <p>There were no confirmed incidents of corruption in our dealings with business partners and no legal cases related to corruption against SPO.</p>	This Content Index.	
GRI 206 ANTI-COMPETITIVE BEHAVIOUR 2016	206-1	Legal actions for anti-competitive behaviour, antitrust, and monopoly practices	No legal actions for anti-competitive behaviour, antitrust, and monopoly practices in 2020.	This Content Index.	

SPO's Strong Balance Sheet / Financial Stability					
GRI 103 MANAGEMENT APPROACH 2016	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 	<p>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 over the past few years and in 2020 due to COVID-19 pandemic. See Managing Director's section for more information.</p> <p>Topic boundaries related to SPO's entities covered on Page 22. Management approach is evaluated by the Board of Directors and by the parent company - Swire Pacific Limited.</p>	Pages 5-7 and 17, 22	
GRI 201 ECONOMIC PERFORMANCE 2016	201-2	Financial implications and other risks and opportunities due to climate change	<p>See the "Climate-related Risks and Opportunities and Risk Management" and "The Task Force on Climate-related Financial Disclosures" sections of the report.</p> <p>SPO is already voluntarily offsetting our Scope 1 and 2 emissions through its investment in a REDD+ project in Paraguay and purchasing carbon credits. Furthermore SPO is investigating research programmes on alternative fuels.</p>	Page 108-110	Information Unavailable: we are in dialogue with Swire Pacific Limited on how to better address this issue at the Company level and across the Swire group. We will address this in more detail once the Swire group comes to a consensus on the most applicable Representative Concentration Pathway (RCP) to use for our scenario planning.
GHG Emissions and its Climate Impact / Alternate Fuels					
GRI 103 MANAGEMENT APPROACH 2016	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 	<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 since 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". No material issues were reported through this process during the reporting period.</p>	<p>Environmental Policy https://bit.ly/3jr9gNB</p> <p>Pages 6-7, 83-88, 105,</p>	
GRI 305 EMISSIONS 2016	305-1	Direct (Scope 1) GHG emissions	<p>Please refer to the "Our Environment" section of the report.</p> <p>Source of emission factors: MGO/Diesel: International Maritime Organisation (IMO) Petrol/LO/HCFH/HFC: DEFRA Gases included: CO₂, CH₄ and N₂O. "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 93, 95, 96, 99	

GRI 305 EMISSIONS 2016	305-2	Energy indirect (Scope 2) GHG emissions	Please refer to the "Our Environment" section of the report. Source of emission grid factors for electricity: International Energy Agency Emission Factors (2017). In 2020 we calculated Scope 2 emissions for the percentage of our employees working from home (WFH). The calculation method was derived from the whitepaper published by EcoAct that took into account the electricity use from workstation and lighting.	Pages 98-92	
GRI 305 EMISSIONS 2016	305-3	Other indirect (Scope 3) GHG emissions	Please refer to the "Our Environment" section of the report Source of emission factors: MGO: International Maritime Organisation (IMO) LO: Source of emission factors - DEFRA. Gases included: CO ₂ , CH ₄ and N ₂ O. "The GWPs used in the calculation of CO ₂ e 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)." Air Travel: ATMOSfair.de "With this, other pollutants like nitrogen oxide or soot particles besides pure CO ₂ emissions are also included that warm the climate in addition to CO ₂ ."	Pages 89 - 99	
GRI 305 EMISSIONS 2016	305-4	GHG emissions intensity	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 93-96	Not applicable
GRI 305 EMISSIONS 2016	305-5	Reduction of GHG emissions	Please refer to the "Our Environment" section of the report.	Page 99	
GRI 305 EMISSIONS 2016	305-6	Emissions of ozone-depleting substances (ODS)	Please refer to the "Our Environment" section of the report / report on HCFC / HFC. Emission factor: DEFRA / IPCC (DEFRA takes their factors from IPCC). See GRI 305-1 and 305-3. Data is reported and recorded in kg and multiplied by the emission factor.	Page 101	
GRI 305 EMISSIONS 2016	305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	Please refer to the "Our Environment" section of the report / NO _x , SO _x , PM and VOC emissions tables. Conversion figures are from Lloyds Register Engineering Services (1995) 'Marine Exhaust Emissions Research Programme', DNV Paper: SOx emissions as 20 x Sulphur content of fuel (% by weight in kg / tonne). We assume: FO is 1% sulphur by weight. NOx emissions - we assume 33% for various operating mode, giving an average NOx emission factor of 43.7 kg/tonne, or ~50g/litre. VOC -we assume 33% / 33% / 33% for various operating mode, giving an average VOC emission factor of 9.7 kg / tonne, or ~11.3g / litre. The PM emission factor of 1.2kg/tonne fuel input in all operating modes is as per Lloyds Register Engineering Services (1995) 'Marine Exhaust Emissions Research Programme'.	Page 102	
GRI 307 ENVIRONMENTAL COMPLIANCE 2016	307-1	Non-compliance with environmental laws and regulations	There were no instances of non-compliance in 2020.	This Content Index.	

Labour Practices and Human Rights					
GRI 103 MANAGEMENT APPROACH 2016	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 	<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>Three 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 this case.</p> <p>SPO complies with the UK Modern Day Slavery Act 2015 and from January 2019, with Australian Modern Slavery Act.</p> <p>This topic applies to all SPO group employees ashore or at sea. We are committed to working with suppliers and business partners that adhere to the same standards as SPO.</p>	<p>Code of Conduct https://bit.ly/35OQA2y</p> <p>Modern Day Slavery Act statement on SPO's website http://bit.ly/33C81Aj</p> <p>Pages 34-35</p>	
GRI 401 EMPLOYMENT 2016	401-1	New employee hires and employee turnover	See the "Our People" section of the report and Annex on New Hires and Employee Turnover.	Pages 50, 54, 134-135	
GRI 401 EMPLOYMENT 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<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. Parental leave is awarded to all full time shore-based employees.</p>	Page 56	

GRI 401 EMPLOYMENT 2016	401-3	Parental leave	<p>Total number of employees that were entitled to parental leave: 6 Male and 10 Female employees</p> <p>Total number of employees that took parental leave: 6 Male and 10 Female employees</p> <p>Total number of employees that returned to work in the reporting period after parental leave ended: 6 Male and 10 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: 3 Male and 9 Female employees.</p> <p>Return to work and retention rates of employees that took parental leave, by gender are not available for the reporting period.</p>	This Content Index.	
GRI 408 CHILD LABOUR 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	<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 focus 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>There were no incidences of modern slavery 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 2020. See section on "Child / Forced and Compulsory Labour / Modern Day Slavery Act"</p> <p>There were no cases of child labour in 2020.</p>	<p>MSA Statement http://bit.ly/33C81Aj</p> <p>Page 34</p>	
GRI 409 FORCED OR COMPULSORY LABOUR 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	<p>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 2020.</p> <p>MSA assessments are conducted for high risk suppliers such as Cadet and Manning Agencies located in the following countries:</p> <ul style="list-style-type: none"> - Denmark - Egypt - Ghana - India - Indonesia - Malaysia - Montenegro - Myanmar - Philippines - Singapore - Sri Lanka - UK 	<p>MSA Statement http://bit.ly/33C81Aj</p> <p>Page 34</p>	

GRI 412 HUMAN RIGHTS ASSESSMENT 2016	412-2	Employee training on human rights policies or procedures	<p>We assign essential training to our relevant employees assessed as most likely to encounter potential issues with regard to modern slavery. This is a part of compliance training programme which is run biennially for all the current personnel. Last round of compliance training was conducted in 2019 (for current employees). New hires in relevant positions completed the on-line training course during their induction programme.</p> <p>Total number of hours of training: 3.25 Percentage of employees trained: 3.9%</p>	<p>MSA Statement http://bit.ly/33C81Aj</p> <p>This Content Index.</p>	
GRI 412	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<p>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 Fleet Supplier List.</p> <p>Significant investments refer to our newbuilding programmes and we have not had such within the reporting period. We also have not acquired any new businesses within the reporting period.</p>	This Content Index.	
GRI 406 NON-DISCRIMINATION 2016	406-1	Incidents of discrimination and corrective actions taken	<p>See the "Diversity and Inclusion" and "Fines and Grievances" sections of the report.</p> <p>Three potential cases of Harassment or Discrimination were recorded in 2020 and investigated.</p> <p>Case #1 and #2 – Investigated and concluded that there was no evidence of discrimination.</p> <p>Case #3 – Investigation was carried out by SBO and a disciplinary email identifying areas for improvements was sent to the seafarer.</p>	Pages 36 and 50	
Local Content / Social Licence to Operate					
GRI 103 MANAGEMENT APPROACH 2016	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 	<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 & 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 & 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>SPO sponsors one cadet each year to provide junior officers to (primarily) SPO WAF fleet. This is done in partnership with Adonai. This partnership is evaluated every year. Some Government Agencies stipulate the local CSR investment requirements where SPO is asked to finance a social project.</p> <p>See the "Our Communities" section for more information. No grievances were recorded during the reporting period.</p>	Pages 114-115	

GRI 202 MARKET PRESENCE 2016	202-2	Proportion of senior management hired from the local community	<p>81.9% of our shore-based employees were classified as "local" in 2020. We define "Local" as a national or permanent resident of the country of employment. The balance of 9.3% are classified as "expatriates" and 8.7% being contract employees. Note that 16% 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>Percentage of senior management hired from the local community is 16%.</p> <p>Senior Management 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> <p>Key or significant locations are defined as having 5% of total number of employees and above.</p> <p>Please see "Employee Profile" subsection under "Our People" section of the report.</p>	Pages 45, 52	
GRI 419 MARKET PRESENCE 2016	419-1	Non-compliance with laws and regulations in the social and economic area	There have not been any significant fines and non-monetary sanctions for non-compliance with laws and regulations identified in 2020.	This Content Index.	
Cybersecurity					
GRI 103 MANAGEMENT APPROACH 2016	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 	<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 2020, we conducted Penetration Testing. 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. This is applicable to all our offices and vessels.</p> <p>No serious issues were recorded in 2020.</p>	Page 33	

Access to and Affordability of Oil					
GRI 103 MANAGEMENT APPROACH 2016	103-1 103-2 103-3	- Explanation of the material topic and its boundary - The management approach and its components - Evaluation of the management approach	<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>See the "Demand for Oil and Gas Services" section of the report for more information.</p>	Pages 106-107	
	Energy Transformation				
	103-1 103-2 103-3	- Explanation of the material topic and its boundary - The management approach and its components - Evaluation of the management approach	<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>About 90.3% of our carbon emissions come from the burning fossil fuels in our vessels' internal combustion engines. SPO is looking for suitable opportunities to further improve the sustainability of our business by 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 "Emission Reduction Strategy" section of the report for more information.</p>	Pages 88, 96-97	
Alternate Fuels					
GRI 103 MANAGEMENT APPROACH 2016	103-1 103-2 103-3	- Explanation of the material topic and its boundary - The management approach and its components - Evaluation of the management approach	<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 fleet 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>SPO funded a feasibility study 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. <i>Project Hafnium</i> report is available on SPO's website.</p>	Page 105 and URL link to the report: https://bit.ly/3eLvGOJ	

Diversity and Inclusion					
GRI 103 MANAGEMENT APPROACH 2016	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 	<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 People Policy and Diversity and Inclusion 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, we provide a confidential Whistleblowing Hotline to deal with any potential issues.</p> <p>This topic is important for: Senior Management and Board members as well as for shore-based and for seagoing employees.</p> <p>Please see the "Diversity and 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 https://bit.ly/35OQA2y</p> <p>Pages 42-48</p> <p>Link to: https://bit.ly/3d2QSWp</p>	
GRI 405 DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1	Diversity of governance bodies and employees	<p>The balance of th+E102Team Leader Development Programme training modules in 2020.</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>	<p>Pages 24, 43, 44-47 This Content Index.</p>	Information Unavailable: we do not measure indicators of diversity such as minority or vulnerable groups as this does not have major significance to our business.
GRI 405	405-2	Ratio of basic salary and remuneration of women to men	<p>SPO's Gender Pay Gap is 48% (women earn 52 cents for every dollar earned by men). However when each role was analysed, it was found that SPO pays women and men fairly across all levels of the organisation globally.</p> <p>The reason pay gaps exists is because there is a high concentration of females in job levels 1 and 2 (Entry level professionals), and not as many in job levels 4-7 (Manager to Senior Executive). Women actually earn more than men in level 1 and 2, but because salaries increase substantially as the job level increases and there are a fewer number of women in job levels 4 -7, this is the reason our pay gap exists.</p>	<p>This Content Index and Page 56.</p>	Information Unavailable: we are not currently able to measure the ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.
GRI 406 NON-DISCRIMINATION 2016	406-1	Incidents of discrimination and corrective actions taken	<p>See the "Diversity and Inclusion" and "Fines and Grievances" sections of the report.</p> <p>Three potential cases of Harassment or Discrimination were recorded in 2020 and investigated.</p> <p>Case #1 and #2 – Investigated and concluded that there was no evidence of discrimination.</p> <p>Case #3 – Investigation was carried out by SBO and a disciplinary email identifying areas for improvements was sent to the seafarer.</p>	<p>Page 36 and this Content Index.</p>	

Physical Security					
GRI 103 MANAGEMENT APPROACH 2016	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 	<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 crew 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 crews are reminded constantly of ensuring they maintain effective lookouts, conduct security drills regularly and ensure all possible threats are treated with the utmost 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 defense against any future piracy threats.</p> <p>In 2020, we introduced further requirements to ensure COVID-19 safety measures are adhered to. All persons embarking on a voyage need to obtain the necessary approvals prior to joining and embarking our vessels.</p>	This Content Index.	
GRI 410 SECURITY PRACTICES 2016	410-1	Security personnel trained in human rights policies or procedures	<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 program 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 yearly by an external auditor.</p> <p>100% of all of personnel, including third party, are trained in Human Rights.</p>	Page 74 and this Content Index.	

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.



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Assurance Statement

Swire Pacific Offshore Operations Pte Ltd (SPO) and relevant SPO Group Companies commissioned Copeland & Partners Ltd (CPL) to conduct independent assurance of its 2020 Sustainable Development (SD) Report in accordance with the scope below.

CPL's responsibility for this assignment is only to SPO and CPL denies any liability or responsibility to others. It is the responsibility of SPO to collect, analyse and present all information and data within the report, and to sustain operative governance and internal controls over the processes and systems from which the report is derived. Ultimately, the report has been approved by and remains the responsibility of SPO.

Objective and Scope

The objective of the assurance process was to verify a representative sampling of the information included in SPO's SD Report covering the calendar year 2020 and to determine conformance of the report contents with the requirements of the Global Reporting Initiative's (GRI) Standards: Core option.

An assessment of the company's SD initiatives and reporting was also conducted, and recommendations were provided to management on the company's overall performance for enhancing the SD report and the company's sustainability framework.

Methodology

The assurance process, which was conducted from July to August 2021, involved a desktop review of SPO's 2020 SD Report and supporting statements / policies accessed through SD report website links, to identify a representative sampling of data and information, as well as claims regarding management systems, performance and corporate strategies, for verification. Information was provided by SPO's General Manager - Sustainable Development and team, as well as representatives of SPO responsible for risk management, human resources, training and development, health and safety, the environment and procurement to confirm a representative sampling of data, claims and content included in the report and the company's strategies for managing SPO's sustainability issues and plans for improvement. Based on this review process, observations were made which resulted in SPO making minor amendments to the GRI Content Index.

For the report assurance, CPL's assurance methodology is based on conformance of the report contents with the requirements of the Global Reporting Initiative's (GRI) Standards: Core option and applies GRI's reporting principles of stakeholder inclusiveness, sustainability context, materiality and completeness to assess the overall quality of the report and claims regarding management approaches, strategies and sustainability performance.

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Findings

Based on the claims and data reviewed, SPO's 2020 SD Report includes accurate and robust information to support the company's commitment to, and performance in, implementing its SD Policy. The SD report and related content provide accurate, reliable and comparable performance data and information, and the issues covered are important to key stakeholders and readers of this report. SPO has made a self-declaration of the report being in accordance with the requirements of the GRI Standards: Core option. In terms of the coverage of the required principles and general disclosures, the report conforms with the standards and core disclosures.

This report continues to evolve with SPO's continuous improvement in its sustainability performance. The report format and content is available online and the materiality of its content evolves in response to stakeholder feedback as the company engages its stakeholders on sustainability. SPO's material topics are substantively covered, with open and credible discussion of the company's efforts to responsibly manage the impact of industry's transformation and ongoing challenges, while continuing to implement initiatives for its long-term resilience. Noteworthy achievements and milestones during the reporting period are highlighted below.

- Addition of risks and opportunities identified along SPO's value chain aligned with relevant SDGs and material topics.
- Despite challenging industry conditions, investment in training and employee development has been maintained, including throughout 2020 where possible in the midst of the global pandemic; with a 77% increase in the number of people trained in 2019.
- High levels of transparency around investment, with training cost as a percentage of the wage bill for employees in a COVID-19 travel restricted year at 0% for Shore-based employees and 1% for Seagoing employees.
- Improvements in employee diversity, with the number of females in senior managerial roles increasing from 19% in 2019 to 31% in 2020.
- Transparency regarding issues and low incident rate throughout the reporting period, with only seven reported issues. All reports were investigated and dealt with appropriately, in line with the company's policies and procedures. Out of seven cases, only three were substantiated and all three were addressed accordingly.
- Improved safety initiatives and enhancement projects included: upgraded Accident and Incident reporting process, Enhanced Safety Flashes (a two-stage process: Safety Flash 'First Alert' then corresponding 'Lessons Learned'), Revamped Permit to Work (PTW) procedure, and launch of the 'Hand and Hand Tool' safety campaign.
- Implementation of Flexible Work Policy arrangements for employees globally.
- Regular communication centred on keeping remote employees abreast of the latest developments throughout the COVID-19 pandemic with company-wide employee Pulse Surveys, fortnightly Microsoft Teams calls with Masters and senior officers, and virtual Management visits. Internet bandwidth on the vessels was doubled so that seafarers could keep in regular contact with their families and friends.
- Addressing Employee Wellness at sea during the COVID-19 global pandemic despite constantly changing regulations and restrictions in different countries. From April to December 2020 6,358 movements of seagoing employees were arranged.
- Partnerships within the marine sector to exchange best practices and work toward a common goal of a more sustainable shipping sector, including joining the Global Maritime Forum-initiated Neptune Declaration on Seafarer Wellbeing and Crew Change in January 2021 along with over 300 other organisations.

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- Ongoing commitment to Responsible Ship Recycling; the *Pacific Falcon* was recycled with zero injuries, zero pollution incidents and 98.7% of the vehicle by weight recycled, reused or upcycled.
- Disclosure of interventions to drive sustainable change in behaviour including a 60% reduction in average SUPWBs usage per vessel, coupled with an increase of 333% in the use of refillable flagons.
- Inclusion of Black Carbon emissions as a metric for environmental performance (despite further research needed globally to enhance measurement accuracy).
- Substantive and longstanding initiatives in Paraguay including the Paraguay Forest Conservation Project (“PFCP”), through which carbon credits are generated to partially offset Scope 1 and 2 GHG emissions.

Recommendations for Future SD Strategy and Reporting

The commitment and resources that SPO dedicates to integrating sustainability systematically and comprehensively across its business processes and to managing potential risks and opportunities is commendable. SPO continues to make progress in continuously developing policies, implementing measures, training and building the capacity of its people and tracking progress. However, it is acknowledged within the Managing Director’s message that COVID-19 was an almost all consuming story for SPO in 2020, and as such, going forward SPO is encouraged to maintain its comprehensive approach with attention the following recommendations:

- Continue SPO’s Diversity and Inclusion focus to reduce the gender equality gap at all levels, continuing to ensure that gender barriers and biases are eliminated.
- Focus efforts to address the top areas identified via survey feedback as important to employees at sea and ashore, including Health, Mental Wellbeing and Safety, Regular Communication with Employees and Protecting the Human Rights of our Employees.
- Be prepared to address requirements arising from confirmed changes in the UK Modern Slavery (Amendment) Bill (2021) as promulgated.
- Once community engagement activities can be implemented again, resume Social Return on Investment analyses on SPO’s relevant projects and expand investment and resources on those with impact / value add that align strategically with SPO’s business and community / environmental needs.
- Develop metrics to track and demonstrate the outcome and impact of implementing SwireThrive for those topics that are applicable to SPO’s operations.
- Continue to assess performance against medium- and long-term targets for SPO’s material topics, including GHG emissions, climate-related risk, alternate zero- or low-carbon fuels, diversity and inclusion, strategic community engagement, etc., and monitor performance. Include a summary of results against the temporal targets in the Managing Director’s message as appropriate to reinforce high-level engagement on their achievement.



Anne Copeland
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August 27th, 2021