



**BW OFFSHORE**

# **Modern Slavery Act Statement**

**February 2019**



# Modern Slavery Act Statement

## Our Business and Supply Chain

BW Offshore is a leading provider of floating production services to the oil and gas industry. The company also participates in developing proven offshore hydrocarbon reservoirs. BW Offshore is represented in all major oil and gas regions world-wide with a fleet of 15 owned FPSOs. The company has more than 30 years of production track record, having executed 40 FPSO and FSO projects. BW Offshore is listed on the Oslo Stock Exchange.

## BW Offshore policies relevant to Modern Slavery

BW Offshore supports the United Nations Universal Declaration of Human Rights and the standards advised by the International Labour Organisation. Slavery, forced labour, child labour, torture and other violations of human rights are totally unacceptable. The company is also committed to compliant and ethical employment practices.

These principles are stated in our **BW Offshore Code of Ethics and Business Conduct** which applies to all employees in BW Offshore and companies in which BW Offshore has a majority interest, including joint ventures, and also to all BW Offshore Board members, officers, temporary employees and legal agents, consultants, intermediaries and others who act on behalf of the BW Offshore.

BW Offshore intends to comply with applicable laws and governmental rules and regulations in every country in which it is operating.

As part of our company wide training program, it is mandatory for all employees and representatives to complete our e-learning training on our Code of Ethics and Business Conduct which covers the topics which are covered in our Code and Guidelines on "Respect for the Individual, Human Rights and Employment Practices".

In addition, we require our business partners and suppliers to meet our ethics and compliance expectations and our **Supplier Code of Ethics and Business Conduct** reiterates our expectations of a strong commitment to protecting human rights.

We expect our suppliers to ensure that child labour and forced labour is not used in the performance of work. suppliers must adhere to regulations prohibiting human trafficking and comply with all applicable laws in the countries in which they operate and suppliers must not, for example, require personnel to pay recruitment fees or deposits; destroy, confiscate or conceal identity or immigration documents.

We expect our suppliers to ensure that their employees are afforded an employment environment that is free from physical, psychological, and verbal harassment or abusive conduct.

We expect our suppliers to ensure that, in accordance with applicable laws and regulations: wages are paid; working hours are compliant and are not excessive; hired labour are provided with written agreements of employment, setting out conditions and rights in a language understandable to the individual; and that hired labour have access to effective grievance mechanisms.

## Potential risk of Modern Slavery in our business and supply chain

We have operations and corporate presence in Europe, Asia Pacific, West Africa and the Americas. While most of our business is in countries where there are strong local and corporate policies protecting human rights, we do acknowledge the risk of modern slavery still happening in these countries.

In our risk assessment we look at both the locations of our operations and the local culture and legislation, plus the type of activities we and our supplier base engage in and the risks presented by such.

Based on analysis of the [Global Slavery Index](#) (GSI), we acknowledge the risk presented by the countries of our Western Africa operations where the vulnerability to modern slavery is higher as compared to our other country operations.

BW Offshore's presence by country, listed highest to lowest risk, according to the GSI's 2018 'prevalence index rank'.

Country	Prevalence index Rank (out of 167)	Vulnerability score (out of 100)
Nigeria	32	74.07
Ivory Coast	56	57.20
Gabon	73	49.08
Indonesia	74	50.45
Singapore	97	13.41
Mexico	114	57.31
United Kingdom	132	11.13
Norway	140	4.51
Brazil	142	33.77
United States	158	15.88
New Zealand	164	1.91

The Prevalence index rank is based on the estimated percentage of total country population in modern slavery (a higher score meaning least prevalent). The Vulnerability score results from the presence of factors that explain or predict the prevalence of modern slavery (a higher score meaning the country is more vulnerable to the factors that explain or predict modern slavery).

The analysis of the GSI data against the countries of our operations and corporate presence supports us in informing our risk assessment and management activities however it is used alongside the analysis of our specific activities and supply chains in those countries.

In respect to BW Offshore's specific supply chain and the type of 3<sup>rd</sup> party contractors used, we acknowledge that the highest risk is presented by contractors that may rely on less skilled or casual labor to fulfil the scope of work for which we have engaged them, which may include companies providing offshore general maintenance activities (ie large scale painting or cleaning), our construction partners, or companies engaged in the rare instances of disposal of our vessels.

BW Offshore has a Human Capital team who are committed to ensuring ethical employment practices are used in the hiring of our personnel. Where the company may utilize manning agents, who may provide a range of services from identifying suitable candidates to managing the recruitment and ongoing employment of such personnel, BW Offshore's team provide instructions, supervision and perform ongoing monitoring to ensure our expectations on ethical employment practices are met by these parties.

## Risk Management and Due Diligence Process

Undertaking compliance assessment and due diligence on 3<sup>rd</sup> parties who work for our business and are involved in our supply chain, is an essential part of our Ethics and Business Conduct compliance management.

All business partners (including country partners, agents acting on our behalf) and suppliers who provide goods and services to us) are assessed for:

- compliance with relevant laws and regulations;
- compliance with the principles and spirit of our BWO Code of Ethics and Business Conduct (and the supporting Guidelines);
- any reports of accusations, investigations or any convictions for non-compliance with any of the principles stated in the Code of Ethics and Business Conduct;
- any other red flags that might indicate to us that use of the agent/ supplier might have an adverse effect on our reputation.

During this process, the policies and guidelines of potential suppliers are reviewed. If necessary to raise their standards to meet our requirements, a copy of our Supplier Code of Ethics and Business Conduct is presented along together with a compliance certification for their sign off and commitment.

Should we determine that the supplier's commitment to compliance does not meet our standards, or the supplier otherwise presents a risk, BW Offshore employs various methods to appropriately respond to and/ or monitor and manage those risks. This might include:

- providing a copy of our Supplier Code of Ethics and Business Conduct and obtaining compliance certifications from the supplier;
- training the 3<sup>rd</sup> party on BWO's programme or on relevant aspects of the law that we want them to wholly understand and comply with;
- discussing specific risk areas with the supplier to develop a set of controls and escalation channels to deal with any breach in our standards and guidelines
- regularly scheduling reviews and audits of the conduct of the supplier.

At the outcome of the process, if the compliance risk of using any business partner or supplier is too high we may find it necessary not to engage them.

## Next steps

As part of our commitment to anti-slavery and adherence to human rights, BW Offshore will continue to review and develop our due diligence and risk assessment activities across our global locations to ensure a robust and consistent approach. This includes enhancing our internal documentation, procedures and processes to provide greater guidance and to increase monitoring and reporting.

- An Anti-Slavery and Human Rights questionnaire will also be added to our pre-qualification procedures for potential suppliers, where they are expected to describe to us their specific procedures and activities in this area and to acknowledge and commit to our standards.
- A programme of increased reviews and audits of suppliers that we determine as highest risk for possible infringements of anti-slavery, human rights and ethical employment practices, will be initiated. It is anticipated this will include site inspections by specialist 3<sup>rd</sup> party resources, in addition to BW Offshore personnel, to verify compliance.
- Planned enhancement of our current "Speak Up Channel" functionality, with increased services for hotline and web intake, which will also be available to external parties, is being implemented in early 2019. This aims to increase reporting and monitoring of compliance failures and expressions of concern, including those related to slavery, human rights and employment practices.

BW Offshore will strive to continue monitor our effectiveness of our compliance with the Modern Slavery Act and implement any actions appropriate or necessary directly with suppliers.

***This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 ("the Act") and was approved by the Board of Directors of BW Offshore Limited on 14<sup>th</sup> February 2019.***

***The statement covers all our group companies, as listed in our Annual Report and specifically for our UK registered entities: BW Offshore (UK) Limited; BW Offshore Catcher (UK) Limited and BW Pioneer (UK) Limited.***

Signed, on behalf of BW Offshore by:



Andreas Sohlen-Pao  
Chairman,