



MODERN SLAVERY ACT STATEMENT

February 2020



SMARTER TOGETHER

Modern Slavery Act Statement

A. 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 35 years of production track record, having executed 40 FPSO and FSO projects. BW Offshore is listed on the Oslo Stock Exchange.

B. 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 our personnel and to third parties acting on our behalf, including our business partners and suppliers, who we require to meet our ethics and compliance expectations.

As part of our company wide training program, it is mandatory for all personnel to complete our e-learning training on our Code of Ethics and Business Conduct which covers the topics which are specified in our Code and Guidelines on “Respect for the Individual, Human Rights and Employment Practices”. Keeping with the target set in our 2019 Modern Slavery Statement, BW Offshore has developed a specific Modern Slavery training topic and this was launched for completion to all personnel in January 2020. Certain third parties will also be required to complete these training modules, or other training developed specifically for certain categories of suppliers.

Our **Supplier Code of Ethics and Business Conduct** reiterates our expectations of suppliers making 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.

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

In January 2019 BW Offshore implemented enhanced functionalities for our “Speak Up Channel” (including local phone access numbers and capability for taking reports in 58 languages). Details for accessing the “Speak Up Channel” webpage were subsequently communicated to all registered

suppliers along with reiteration that we encourage them to report any concerns, breach of laws and regulations, or non-compliance with BW Offshore policies and principles. The company also communicated its commitment to non-retaliation for any supplier or supplier employee who makes a report in good faith. The company also commits to treat reports confidentially and investigate them in an independent, fair and unbiased manner.

C. Potential risk of Modern Slavery, forced labour or child labour in our business and supply chain

BW Offshore 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 and human rights violations 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.

o Country risk

We reported in our 2019 Statement that based on analysis of the Global Slavery Index (GSI) country rankings, we acknowledged the risk presented by the countries of our Western Africa operations, where the prevalence of modern slavery is higher as compared to our other country operations. Nigeria, Ivory Coast and Gabon were our countries of operation which scored highest on the GSI 2018 slavery prevalence index. The other highest ranked countries in which we have operations were in South East Asia, being Indonesia and Singapore.

The GSI's focus in 2019 was on scoring government action to tackle modern slavery, forced labour and child labour. Assessing this new data, BW Offshore's highest slavery risk countries remain the same West African and South East Asian countries. It should be noted however that government response in Nigeria (6/10) was assessed to be better than in Gabon (3/10), Ivory Coast (5/10), Indonesia (5/10) and Singapore (4/10).

o Risk presented by services to be provided

The analysis of the GSI data against the countries of our operations/ corporate presence supports us in performing our risk assessment and defining resulting activities however, the country data must be used alongside the analysis of our specific activities and our supply chains in those countries.

In respect to BW Offshore's supply chain and the type of third party contractors used, we assess that the highest risk is presented by suppliers that may rely on less skilled or casual labor to fulfil the scope of work for which we have engaged them. This 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. These are the same risk group identified in 2019 and accordingly, our 2020 activities and targets continue on from our 2019 activities.

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 continue to utilize manning agents, who may provide a range of services from identifying suitable candidates to managing the recruitment and ongoing employment of such personnel, the BW Offshore team provide instructions, supervision and perform ongoing monitoring to ensure our expectations of ethical employment practices are met by these parties.

In 2019 BW Offshore updated requirements and instruction documents for manning agents administering our expatriate offshore employees. These updates were focused in part on specifying additional expectations related to ethical employment practices and with the aim of reducing the risk of slavery and forced labour. These requirements will be audited in relevant standard recruitment practice audits from 2020. In addition, the personnel at our manning agents, who provide services to us, will be required to take our Ethics and Business Conduct e-learning modules, including the specific Modern Slavery training topic developed.

D. Risk Management and Due Diligence Process

Undertaking compliance assessment and due diligence on third 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.

In our 2019 Statement we declared our intention to add a specific Anti-slavery and Human Rights questionnaire into our supplier qualification process, where suppliers would be expected to describe their procedures and activities in this area. This additional questionnaire was implemented in 2019 and suppliers are required to answer the questions, provide documentation and are assessed on the responses.

During the process of compliance assessment of our suppliers 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 third 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 set 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.

In our 2019 Statement BW Offshore set an objective to conduct a programme of increased reviews and audits focused on suppliers providing services to the Company that it determined to be high risk for slavery and forced or child labour non-compliance. During 2019 BW Offshore has conducted, and is in the process of completing, audits of such suppliers in Singapore, Bangladesh and Nigeria. These parties are current or prospective suppliers including ship yards (and a ship breaking yard), manpower and catering services providers. Several audits have been supported by third party resources who are experienced in conducting such assessments for their clients, on this important subject matter.

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

To date BW Offshore has not disqualified or terminated any of its prospective or current suppliers due to concerns of non-compliant or unethical practices with respect to forced labour, child labour or modern slavery.

E. Next steps

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 to anti-slavery, eradication of forced and child labour and the achievement of ethical employment practices. Our targets for 2020 include:

- continuation and widening of our 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;
- through building a wider base of review and audit findings, the company aims to create benchmarks of the standards of the high risk supplier group and will be able to rank suppliers and report standards against such benchmarks. BW Offshore also aims to work with its Qualification system platform provider to generate “ESG” ratings across its supplier base and hopes to be able to measure and, if possible, compare standards with peers and others in the energy industry.
- BW Offshore also aims to assess the wages standards of suppliers in its supply chain.

BW Offshore will strive to continue to monitor the 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 BWO Offshore Limited on 25th Feb 2020.

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:

A handwritten signature in black ink, appearing to read 'ASohlen-Pao', written over a horizontal line.

[Chairman, Andreas Sohlen-Pao]