

Modern Slavery Statement

2021



BW OFFSHORE

A. Our Business and Supply Chain

BW Offshore engineers innovative floating production solutions. The Company has a fleet of 13 FPSOs with potential and ambition to grow. By leveraging four decades of offshore operations and project execution, the Company creates tailored offshore energy solutions for evolving markets world-wide.

The BW Offshore team delivers with an engineering mindset when designing new FPSOs, preparing redeployments and exploring new opportunities, all while fostering a culture where people grow and thrive.

BW Offshore has around 2,000 employees and is publicly listed on the Oslo stock exchange. The Company has offices, operations and legal entities world-wide, as described in our Annual Reports.

BW Offshore's Modern Slavery prevention and ethical employment practice monitoring activities form part of its Ethics and Business Conduct Compliance Programme which is administered by the Company's Legal (Compliance) function with mandate from (and regular review actions undertaken), by the CEO and Board of Directors. The Ethics and Business Conduct Compliance Programme activities are centrally administered/performed by the Compliance function and apply to all Personnel, Representatives and legal entities of BW Offshore and accordingly, this Modern Slavery Statement covers policy, procedure, risk assessment, risk management and due diligence and ongoing goals and commitments for all the BW Offshore group of companies.

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, representatives 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 per our 2021 Statement objectives, BW Offshore has developed a **Human Rights Policy** (detailing our Human Rights risk assessment), which addresses our belief of the importance of protecting and respecting human rights and ensuring our company and that of our suppliers follow the highest employment standards. The Policy will be issued in early 2022.

All BW Offshore personnel are required to complete a mandatory E-learning module on Modern Slavery which covers: our company commitment on Human Rights and ethical employment practices; the risk in our industry and the countries we work in and; identifying red flags within our supply chain and operations. As of January 2022, the completion rate for the Modern Slavery Module was 89%.

Identify the Red Flags of unethical labour practices

Forced labour and unethical practices can be an issue anytime we work with another company such as a sub-contractor or a supplier and can be found all over the world.

Be on the lookout for these red flags when dealing with another company to help eliminate these practices in all of its forms.

The infographic lists 14 red flags for unethical labour practices, arranged in two rows of seven. Each red flag is represented by an icon and a brief description.

- Operates in a high-risk country such as Gabon, Nigeria, Ivory Coast, Indonesia & Singapore.** (countries that ranked highest in our 2020 assessment of our operations)
- limits or prohibits inspections of their work sites**
- Offers us significantly better terms than their competitors**
- Will not allow their workers to be interviewed**
- Retains workers' documents (e.g. passports and visas)**
- Performs an activity that we determine as high risk for unethical labour practices. Example: Construction, offshore general maintenance, catering and cleaning**
- Are paid too little, paid late or their wages are withheld**
- May need to pay to get the job or have salary deducted for essential items such as PPE, transportation.**
- Are below the legal age**
- Are required to live in substandard employer-provided housing**
- Have no access to or control over their bank accounts**
- Get little or no time off**
- Are threatened or abused**



You are essential in looking out for these red flags. If you have a reasonable belief that any of these are occurring—even if you don't have all the details—immediately report the situation to Corporate Integrity department.



Call the local hotline



Bc.compliance@bwoffshore.com

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, living conditions should be acceptable in relation to housing, sanitation, electricity and water supply, transport and communications.
- We expect our Suppliers to ensure that, in accordance with applicable laws and regulations: wages are paid and minimum living wages are adhered to, working hours are compliant, not excessive and not

exceeding the local stipulated maximum number of working hours; hired labour are provided with written agreements of employment, setting out conditions and rights in a language understandable to the individual; hired labour have access to effective grievance mechanisms.

- We expect our Suppliers to commit to ensuring effective employee relations through mechanisms for receiving employee feedback and addressing employee concerns, including supporting freedom of association and collective bargaining.

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

The **BW Offshore Expressions of Concern policy** elaborates several routes for BW Offshore personnel to raise concerns, grievances or make reports. The BW Offshore Speak Up Channel is only one of those possible avenues. In 2021, BW Offshore recorded 15 reports/questions across the BW Offshore Speak Up Channel, and the Company has taken steps to further investigate and, where required, implemented actions to address these reports/questions. None included any confirmed cases relating to Modern Slavery/ Human Rights/ Ethical Employment Practice concerns.

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 some 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 2020 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 2019 "Measurement, Action, Freedom" report (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 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.

BW Offshore maintains a proactive approach to the COVID-19 pandemic prioritizing the health and safety of our people, operations, and partners.

In respect to BW Offshore's supply chain and the type of third party contractors used, there have been no change in our risk assessment where the highest risk is presented by suppliers that may rely on less skilled or casual labour to fulfil the scope of work for which we have engaged them. This may include companies providing offshore general maintenance activities (i.e. 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 2020 and to whom were informed about our 2021 target activities. These risk groups are the same, however with a heavier emphasis on our construction partners, for our 2022 target 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 utilise 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 provides instructions, supervision and perform ongoing monitoring to ensure our expectations of ethical employment practices are met by these parties.

Maintaining a proactive approach to the COVID-19 pandemic



- Risk management, planning and procedures in place to efficiently manage operational impact
- No new FPSO virus outbreak since Q2 reporting
 - Proven protocols for efficient crew-change and deep-clean in place
- Main operational challenges relate to crew logistics
- COVID-19 management related costs at approximately USD ~4 million per month
- Measures being implemented to reduce COVID-19 costs to approximately USD 2 million per month for 2021
 - Own PCR testing to cut quarantine time
 - Increased mobility reducing crew cost



Ensuring safe, uninterrupted operations

COVID-19 operational task force

- Optimising manning
- Crew management and logistics
- Medical, testing, medevac and quarantine protocols
- Social distancing and enhanced cleaning protocols
- Ensuring buffer for potential supply chain disruptions

- COVID-19 Task Force responsible for business continuity plans for each FPSO
- Prioritising people, operations and partners
- Minimising risk of business interruptions and maintaining operational uptime
- Adhering to local public health advisory at all locations to minimise risk of spreading the virus
- Similar framework activated for all onshore offices
- Introducing in-house PCR testing globally



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. This follows on from, and is informed by, the identification of potential

or actual negative human rights impacts, as described above in our risk assessment activities.

During the process of compliance assessment (due diligence) 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 and

prompts activities 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 BW Offshore'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, as necessary, of the conduct of the supplier.

Our planned third party compliance management IT system enhancements started in 2021 and will continue into 2022. In accordance with our existing compliance assessment programme, suppliers, who are now assigned compliance risk levels, will be assigned activities automatically in our IT system. These activities dictated by risk level also determine the relevant periodic monitoring periods, on top of any additional site visits or audits conducted by internal resources or external third parties.

In 2021, BW Offshore compliance assessed 1,007 new potential business partners who, where there was any enhanced risk of ethical employment practice breaches were subject to additional compliance activities prior to being accepted as a potential tenderer, or prior to being engaged, to provide goods or services to the Company. Such activities included additional questionnaires, signing of certifications, completing of e-learning modules and other appropriate specific risk mitigation activities.

In our 2021 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.

In 2021, BW Offshore worked with Achilles on the development of a standard ethical employment practice audit protocol to be used in the consistent application of audit criteria for Ethical Employment Practice audits.

Our plans for on-site/ in person audits however continue to be impacted by the COVID-19 pandemic and the restrictions on access to and gatherings at workplaces and worksites. BW Offshore intends to recommence in-person audits in 2022 in so far as the progress of the pandemic and the increasing release of restrictions allow.

At the outcome of the compliance assessment (due diligence) process, if the compliance risk of using any business partner or supplier is too high we may find it necessary not to engage them, or indeed to terminate them if issues are found on subsequent audits.

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. Living Wage Commitment

BW Offshore has implemented a Living Wage standard for its personnel and has set expectations of a Living Wage being paid throughout the Company's supply chain.

In 2021, the BW Offshore Supply Chain team commenced work with the Company's Contractors to flow this commitment down through the supply chain.

Using the country risk prioritisation exercise mentioned to direct the priority of the work, the team has worked with our Contractors in Nigeria, Gabon and Ivory Coast to implement a living wage

commitment. Contractors who provide BW Offshore ad hoc additional manpower for high risk classified activities, such as general maintenance activities and those providing longer term contracted labour such as catering services, were targeted for first priority attention.

27 critical contractors were included in this exercise in 2021 and as a result of analysis and negotiation, 8 of these contractors increased the wages of over 60 workers in line with our expectations. This included 4 out of 9 investigated contractors in Nigeria and 4 out of 13 investigated contractors in Gabon. BW Offshore directly funded the increase in compensation in Nigeria and Gabon with approximately USD 200, 000.

Investigation confirmed that none of the employees in Ivory Coast were paid below BWO's Living Wage benchmark.

In addition, as part of the exercise, all Contractors were delivered our BW Offshore Ethical Employment Practice Guidelines and contractual terms and conditions were updated to reflect our commitments in this area and to enable audit rights to be exercised."

F. Next steps

BW Offshore's goals for 2022 include:

- Increased audits and onsite visits to our key suppliers and identified high risk suppliers, following on from our activities that were planned for 2020.
- Continuation of our project for enhancements made to our third-party compliance management system across all third party suppliers, where high risk suppliers

will be automatically assigned key activities such as the requirement to complete additional questionnaires on human rights and their employment practices and completion of E-learning trainings.

- BW Offshore will continue to work with its Supply Chain to implement its Living Wage commitment. The priority of engagement with suppliers will continue based on parameters of risk (country risk and risk of the services being provided, as detailed in our Risk Assessment section of this Statement).

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

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 (United Kingdom) and the Commonwealth Modern Slavery Act 2018 (Australia). This statement was approved by the Board of Directors of BW Offshore Limited on 23 February 2022.

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, and our Australian-registered entities: BW Offshore Australia Management Pty Ltd and BW Offshore Singapore Pte Ltd – Australia branch.

Sign.

Andreas Sohmen-Pao, Chairman
BW Offshore Limited