

# SUSTAINABLE DEVELOPMENT REPORT

FOR THE CALENDAR YEAR

2016



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## Dear Stakeholders,

The Swire Pacific Offshore Group (SPO) continues to plan, manage and operate its businesses in line with our long term commitments to safety and sustainability. This is done in accordance with best practice and often goes beyond internationally agreed standards. I am pleased to report our progress in the areas of Carbon/Biodiversity/Environmental, Community and Safety Performance in this, our sixth, Sustainable Development (SD) Report, covering the period of calendar year 2016.

Our core business of providing marine services to the offshore oil industry continues to be largely driven by the market price for oil, which in turn reflects the underlying supply/demand

equation. Crude oil prices began the year at a 13 year low due to over-supply but increased significantly after OPEC and non-OPEC producers agreed to throttle back supply. Oil demand grew in 2016 by 1.7 mb/d but the IEA only expects to see oil supply and demand to be aligned by the end of 2017 due to the glut in oil stocks accumulated over the last few years. Consequently, investment in offshore oil Exploration and Production has been reduced significantly over the last three years and this has resulted in the precipitous decline of offshore rig activity. In turn, charter rates and utilisation rates for Offshore Service Vessels have collapsed.

SPO has implemented the following cost-reduction measures in 2016 to manage through the downturn:

- Warm stack and cold stack of excess tonnage;
- Sale of older, less fuel efficient tonnage;
- Deferral of non-essential Capital Expenditure;
- Reduction in discretionary spend such as Travel, Marketing and Entertainment;
- Introduction of a Voluntary Unpaid Leave scheme to reduce costs while protecting jobs
- Pay freeze and bonus cuts;
- Reduction in mariner pay scales and selective headcount reductions to reflect capacity reduction.

We have, however, maintained our overriding commitment to safety and quality. We have also continued to invest in staff training and welfare. In 2017 and 2018 SPO will take delivery of six additional new build "G Class" Diesel Electric Platform Supply Vessels which are highly fuel efficient. SPO's Subsea operations specialist, Swire Seabed AS, took delivery of its fourth subsea vessel, *Seabed Constructor* in Bergen, Norway on 6 December 2016.

SPO has used the period of this report to continue to consolidate its position in the industry as a diversified Marine Services group with a rejuvenated fleet and retained as many sea staff as possible. This will leave SPO well placed to take advantage of the next upturn in the cycle which is expected in 2020.

Swire Seabed has secured a six-year contract for *Seabed Constructor* with UK based Ocean Infinity that enables the company to establish a survey department that can process and present large quantities of high quality data to our clients. The vessel will be carrying out ground breaking use of AUV's (Autonomous Underwater Vehicle) and USV's (Unmanned Surface Vessel) deployed in a swarm to deliver state of the art survey and construction support operations on a global basis. *Seabed Constructor* is a multi-functional subsea support and construction vessel of MT6022 MK II design, 115 metres in length with a beam of 22 metres, and is equipped with a 250-tonne crane and a free deck space of 1,300 square metres.



SPO has used the period of this report to continue to consolidate its position in the industry as a diversified Marine Services group with a rejuvenated fleet and retained as many sea staff as possible. This will leave SPO well placed to take advantage of the next upturn in the cycle which is expected in 2020.

Sustainability remains integral to our long term strategy, wherever we are in the business cycle. As we continue to focus on the key areas of our business we will continue to seek to:

- raise behavioural safety awareness,
- enhance our environmental impact,
- ensure our supply chain and business partners are working with us responsibly and
- recognise that SPO has a responsibility for our impact on society and the natural environment, beyond legal compliance.

This will strengthen SPO and our stakeholders' competitive position for the future.

With the signing of the UNFCCC "Paris Agreement" at the CoP21 meeting, although shipping along with aviation are not included within the terms of the agreement due to the trans-border nature of these businesses, it is nevertheless incumbent on the shipping sector to play its part in holding the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

Following the election of Mr. Esben Poulsson, the President of the Singapore Shipping Association (SSA), as the new Chairman of the International Chamber of Shipping (ICS), it was encouraging to see the ICS immediately moving to recognise the clear and present danger of the global warming reality and highlighting the shipping sector's requirement to play its part. In one of its early statements the ICS called on "IMO Member

States to finalise the adoption of a global CO<sub>2</sub> data collection system for international shipping, as a precursor to the consideration of possible next steps to address the sector's CO<sub>2</sub> emissions. Such steps could then build on the existing IMO mandatory agreement on technical and operational measures to reduce shipping's CO<sub>2</sub>, which entered into force worldwide in 2013 – the first global agreement of its kind to be established outside of the United Nations Framework Convention on Climate Change (UNFCCC). In particular, the industry associations will be requesting the MEPC 70 meeting to agree to develop a roadmap which would include a timeline for the completion of this important work, which the submission describes – although the industry is flexible about the precise terminology – as determining a 'fair share contribution' towards reducing the world's total CO<sub>2</sub> emissions, of which international shipping is currently responsible for about 2.2%".

SPO supports the view that "Going low-carbon is the only option for a profitable, future-proof business", and has been taking the following actions:

- Actively investigating the use of 2nd generation biofuels, such as those produced from household waste products by our sister company Argent Energy in Scotland;
- Studying the feasibility of radically decarbonising our business by the use of other low/zero carbon fuels in green marine projects, with the intent to have proved a pilot project by the beginning of 2020;

- Continuing to diversify its business and reduce dependence on the offshore oil and gas (E&P) sector whilst building on our strong, safety conscious and experienced maritime skills base. In this regard, our reputation for integrity, fleet reliability, flexibility, high performing quality assets and our ability to undertake and deliver difficult tasks in difficult places will be of value;
- Actively working with our customers to reduce their fuel use (and costs);
- Continuing to offset our current GHG emissions until such time as we have financially viable technological and/or operational means to eliminate them (see above).

The radical decarbonisation of our business is by far the most material challenge we will face over the next few years. We have made an early start on this and will detail our initiatives in our sustainability report next year. SPO is committed to play our part in ensuring the long-term sustainability of the planet on which we live and depend on to thrive.

It is gratifying that our efforts in all areas of sustainability have been externally recognised during the reporting period. In particular, we

are honoured to have received the following awards in 2016:

SPO was awarded the "2015 Best Vessel Operator Award" by Brunei Shell Petroleum (BSP). SPO was also presented with an award by Mr Andrew Tan, the Chief Executive of national maritime regulatory body, Maritime and Port Authority of Singapore (MPA), to acknowledge SPO's commitment towards Singapore's seafaring manpower development and the good work that SMTC does in providing professional training for Singaporeans in Singapore during the year. This award also recognises SPO's Singaporean Cadetship scheme, active participation in outreach and educational events such as the OSV@Vivo during the Singapore Maritime Week.

Training of our seafarers, plus occasional courses for class society surveyors, clients operational staff, and in particular capacity building of Singapore's young marine orientated graduate talent base as our next management cohort is both essential for SPO to be able to stake a long term position of viability, and to help support the community in which we have our Operational Headquarters.

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SPO also continues to invest in its stakeholder social communities over the business cycle, although we have reduced our commitment after more than six years to the Propeller Club of Manila. This is because it would be irresponsible to continue to sponsor the qualification of fresh engineers and cooks into an industry currently with insufficient demand. However we will resume this once we see the upturn leg of the cycle approaching to ensure that we maintain a suitable talent pipeline. We will also continue to support our University Scholars through to their graduation.

A significant new area of governance that SPO has adopted is global compliance with the UK Modern Slavery Act (2015). Modern Slavery is a multibillion-dollar industry with estimates of up to \$35 billion generated annually. The United Nations estimates that roughly 27 to 30 million individuals are currently caught in the slave trade industry, with slavery also existing even in advanced democratic nations, for example the UK where estimates suggested as many as 10,000 to 13,000 victims in December 2015.

SPO takes its commitments under the UK Modern Slavery Act very seriously. As a business with both a history and an ethical

framework of good employment practices, SPO is committed to providing good working conditions for its employees in line with universal international standards, to protecting their safety and health and seeking to ensure the same amongst its suppliers. SPO has put in place a number of processes to prevent, detect and manage incidences of modern slavery and these are detailed here: <http://bit.ly/2tSowdi>

SPO continues to work closely with Swire's Sustainable Development department and the Group Risk Management Committee to ensure a comprehensive and rigorous approach is maintained when considering all aspects of managing our risks and opportunities. An important body of work will be the final report from the Task Force on Climate-related Financial Disclosures (TCFD)\* which will develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers and other stakeholders.

The Task Force will consider the physical, liability and transition risks associated with climate change and what should constitute effective financial disclosures. The work and recommendations of the Task Force will help

SPO's parent company, Swire Pacific Limited, understand what financial markets require in terms of disclosure in order to measure and respond to climate change risks, and to encourage firms to align their disclosures with investors' needs.

Additionally, SPO's General Manager for Sustainable Development (SD) sits on the SPO Executive Committee and advises on any issues connected with governance mechanisms and potential SD risks and opportunities in current or proposed projects. To achieve this, the SD department is one of the key specialist technical subject matter gatekeepers, providing relevant input from their own specialist technical area at each decision gate in the SPO Life Of Asset evaluation process that was developed by the Business Improvement team and adopted by SPO during 2016 in managing large scale capital investments.

Sustainability for SPO and its parent, Swire Pacific Limited, has always been an issue of the highest importance. Today, this is more pressing than ever before as our planet faces very serious environmental, social and governance challenges. As a result of these threats, we have adopted a new "Thrive" strategy to support the approach that will help ensure that all group business' decisions are guided and underpinned by the best-in-class principles of environmental sustainability.

Our *Thrive* strategy lists six key areas where we all have both the opportunity and the responsibility to play our part in protecting our planet's natural systems and resources, whilst simultaneously making us more efficient and resilient businesses that can thrive over the long term. The strategy is also a way to align the priorities of all companies within the group to focus on clear, tangible, metric-driven goals in order to achieve the greatest positive impact.

We look forward to working with all our stakeholders reading this report to help all of us to meet the needs of the present now without compromising the ability of future generations to meet their own needs.



**Ron Mathison**  
Managing Director, Swire Pacific Offshore



**Our Thrive strategy lists six key areas where we all have both the opportunity and the responsibility to play our part in protecting our planet's natural systems and resources, whilst simultaneously making us more efficient and resilient businesses that can thrive over the long term.**

\*See <https://www.fsb-tcfid.org>





This Sustainable Development (“SD”) Report covers operations of the Swire Pacific Offshore Group (“SPO”), as defined in the Organisational Structure diagram on page 13, from 01 January to 31 December 2016. All data in this report are for 31 December 2016, unless otherwise stated. This SD report has been externally assured in accordance with the most widely used reporting framework, Global Reporting Initiative (GRI) and to “version 4 (Core)”.

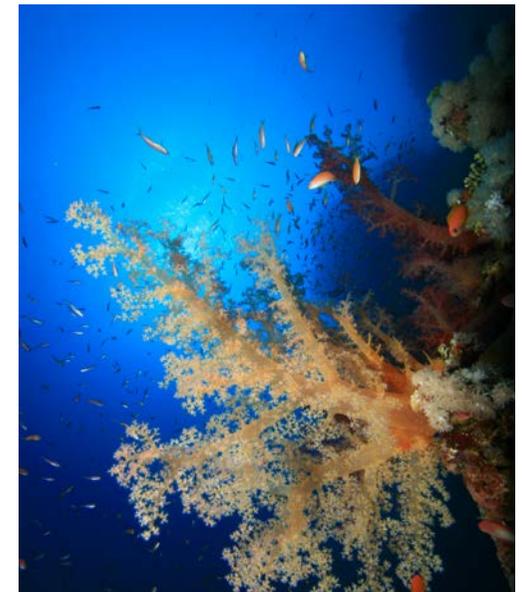
Our commitment to Sustainable Development comes from our parent company’s view that long-term thinking and the responsible stewardship of invaluable resources should drive every aspect of our business, from daily operations, strategic planning and investment decisions, to staff care, community involvement

and environmental management. At SPO we aim to integrate the three core aspects of sustainability: economic, environmental and social, into all dimensions of our business, operations and management practices. Our work and progress on those issues during 2016 is documented in this report.

This SD report comprises five main sections: Governance, Our People, Safety, Our Environment and Our Communities as these areas are considered the most material by our stakeholders (see next section for more details). SPO remains committed to meeting the best practices for all the relevant areas detailed by the ISO 26000:2010 Standard on Social Responsibility, and these are addressed throughout this report.

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*In this section:*

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**10** Company Profile

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**12** Current Fleet Composition

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**13** Organisational Structure and Boundaries

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**14** Sustainable Development Structure and Composition of the Executive

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**15** SD Policies and Management Systems

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**16** Thrive Strategy

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**17** Sustainable Development Goals

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**17** Anti-corruption, Anti-trust and Monopoly Practices

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**18** Supplier Management

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**19** Child & Forced Labour / Modern Day Slavery Act

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**19** Stakeholder Engagement & Materiality

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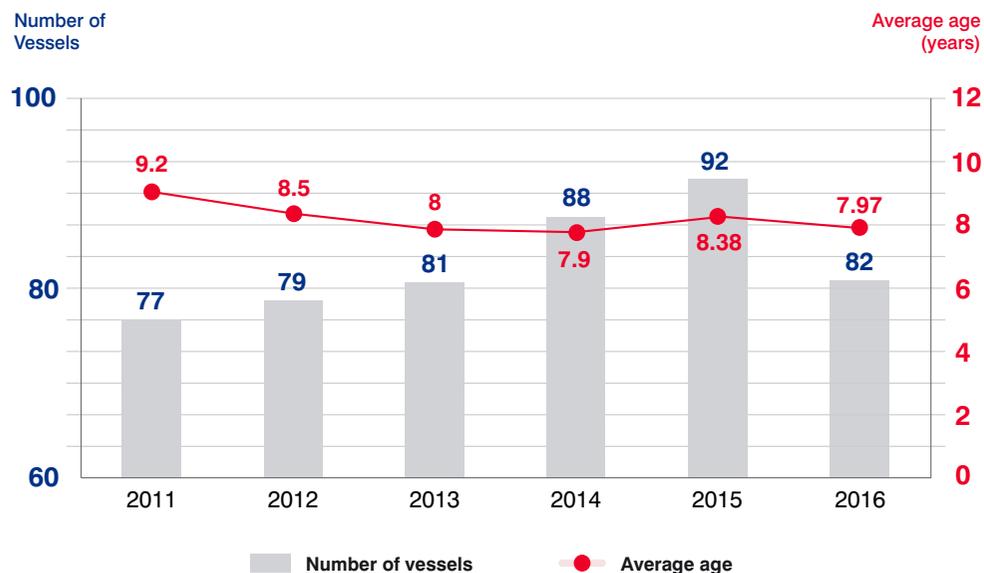
**20** Awards Received

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## Governance

Sustainability remains integral to our strategic decision-making wherever we are in the business cycle. We strongly believe that this commitment to Sustainability will strengthen the competitive positions of both SPO and our stakeholders for the future.

### Vessel numbers and average age



Note: The third party owned and managed vessel, mv Swift Rescue, that is manned by SPO is not included in the statistics in this report.

### Company Profile

Swire Pacific Offshore Ltd is part of the Swire Pacific group of companies, one of the leading diversified commercial groups in the Asia Pacific region. Based in Hong Kong, publicly-quoted Swire Pacific Limited has five operating divisions: Aviation, Beverages, Marine Services, Property and Trading & Industrial. SPO is part of the Marine Services division.

SPO is a leading service provider to the offshore oil and gas Exploration and Production (“E&P”) industry with a network that spans the globe. At the end of 2016, SPO owned and/or operated 82 offshore support vessels, with six new vessels on order for delivery in 2017/18. The fleet includes a mix of Anchor Handling Tug Supply (AHTS) vessels, Platform Supply Vessels (PSV), Ice-breaking Supply Vessels (IBSV), Anchor Handling Tugs (AHT), Seismic Survey Vessels, Wind-farm Installation Vessels, Accommodation Vessels, a Fishery Protection Vessel, Multi-Purpose Offshore Subsea Support Vessels and a High Speed Crew Catamaran. The overall value of SPO’s assets is more than US\$2.3 billion.

We are fully equipped to support, *inter alia*, the wide range of offshore activities required to support the offshore marine oil and gas E&P sectors, including seismic survey, exploration, drilling, pipe-lay, subsea construction,

production and Floating Production Storage and Offloading (FPSO) operations.

In operation since 1975, SPO has a very modern fleet with an average age of 7.97 years as at the end of 2016. The Company has over 40 years of experience supporting blue chip companies across the globe. Headquartered in Singapore since 1998, SPO has subsidiaries and/or regional and representative offices in: Angola, Australia, Brazil, Brunei, Cameroon, Canada, Denmark, Equatorial Guinea, Ghana, India, Indonesia, Malaysia, New Zealand, Norway, Philippines, Qatar, Russia, Scotland, and the United Arab Emirates, operating vessels in every major oil exploration region outside of North America (28 offices around the world, with a presence in most major markets except US GoM).

In 2016, SPO expanded its presence to a marketing office in Houston, USA and opened an operating office in Trinidad and Tobago to support its contract there.

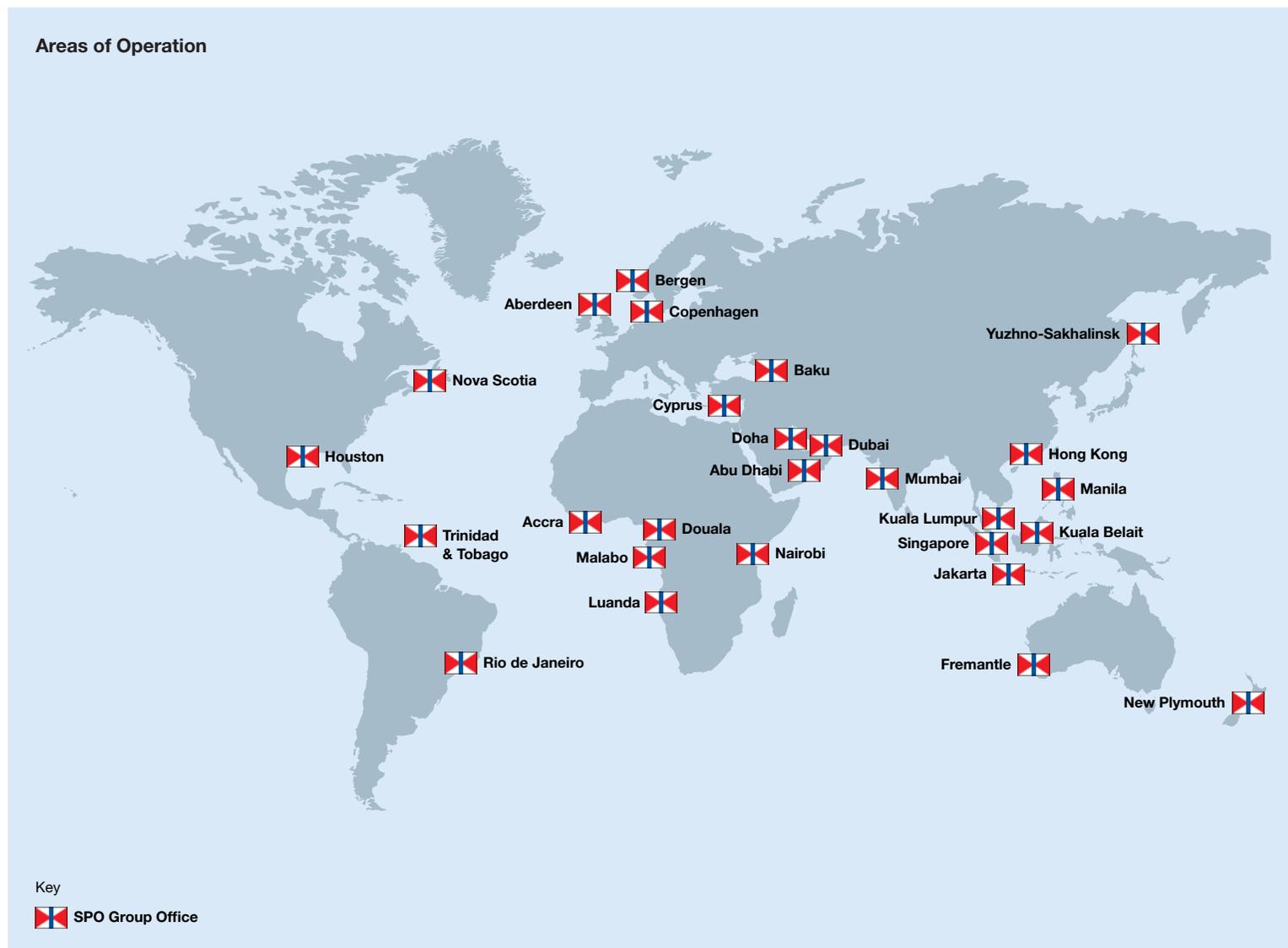
In October 2016 SPO made the strategic decision to sell Altus Oil & Gas Services Pte Ltd (Altus), a Singapore-headquartered company that provided onshore logistical support to the offshore oil and gas E&P sector. This decision was made to enable SPO to refocus on its core vessel operations and marine support services.

Following the decision to sell our “E Class” Icebreaking Platform Supply Vessels to our j/v partner in the Russian Far East, SPO no longer has any assets there and is in the process of closing down its Sakhalin operations in Russia. Most of the staff moved over to our partner. Two of the previous 10 remain there in advisory roles only.

Over the years, SPO has expanded its range of ancillary and complementary services to be able to add value to our customers. SPO’s subsea business; Swire Seabed Subsea AS is building a market-leading reputation for the provision of deep water services to the E&P sector, for wreck management and complex engineering solutions and this is a fast-growing area of our business. In 2016, Swire Seabed Subsea AS took delivery of its fourth subsea vessel, *Seabed Constructor*, against a term contract.

SPO also took delivery of its first crew transfer vessel (*Pacific Kestrel*); a high-speed catamaran which provides a safe and cost-efficient transport alternative to helicopters for the offshore energy industry. She can safely transport up to 90 passengers and carry deck cargo up to a maximum weight of 100 tonnes.

*The map on the right shows locations of SPO Group registered offices during the year. Some, such as that in Yuzhno-Sakhalinsk, are currently in the process of being formally closed.*



**Current Fleet Composition**

2016 has been a very tough year for the offshore marine support industry following the collapse in oil prices which caused acute economic stress for oil producers. This in turn resulted in the postponement or cancellation of many planned new capital projects and tough renegotiations of existing contracts. As with many of our competitors, SPO had to cut costs and trim excess capacity to reflect this downturn. We implemented a number of cost reduction measures to manage our business through this down cycle which included:

- Warm and cold stacking of temporarily excess tonnage;
- Sale of some of our older, less fuel-efficient tonnage;
- Deferral of non-essential capital expenditure;
- Reduction in discretionary spend where possible.

A number of measures related to staff costs were also put in place and they are described under the “Our People” section of this report.



**Current Fleet Composition**

As at the end of December 2016, SPO owned 80 vessels, managed a further two vessels and had six new buildings. All our manning and technical management is done in house.

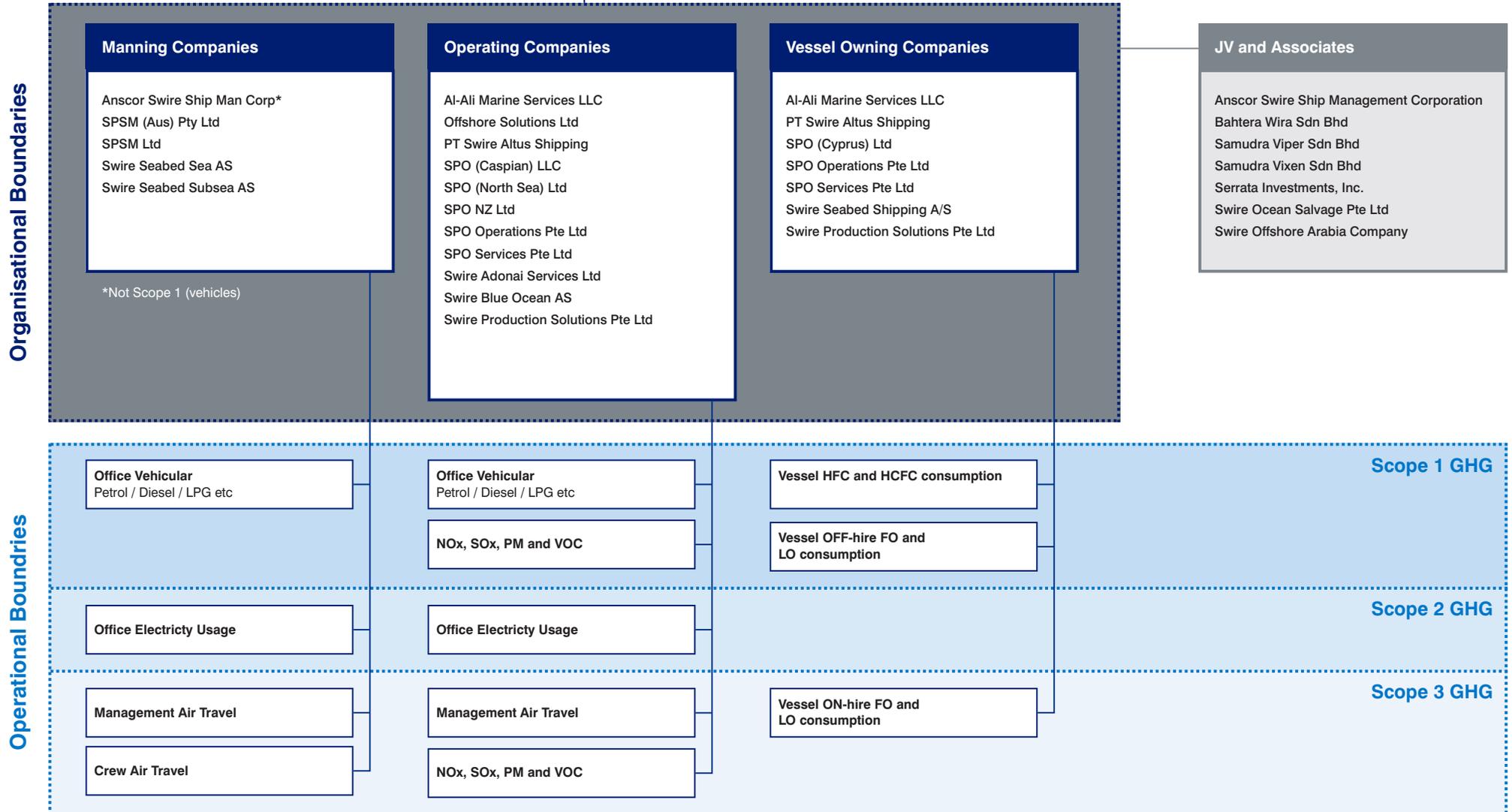
Vessel Type	Delivered	Under Construction
Small AHTS < 5,200 bhp	15	
Medium AHTS > 5,200 < 10,000	19	
Large AHTS > 10,000 < 18,000	19	
Platform Supply Vessel	18	6
Seismic Acquisition/Specialist	3	
Subsea/ROV	3	
Accommodation Work Barge	2	
Wind Farm Installation/Decommissioning	2	
High Speed Catamaran Crew Boat	1	
<b>Total No. Of Vessels</b>	<b>82</b>	<b>6</b>

We implemented a number of cost reduction measures to manage our business through this down cycle.

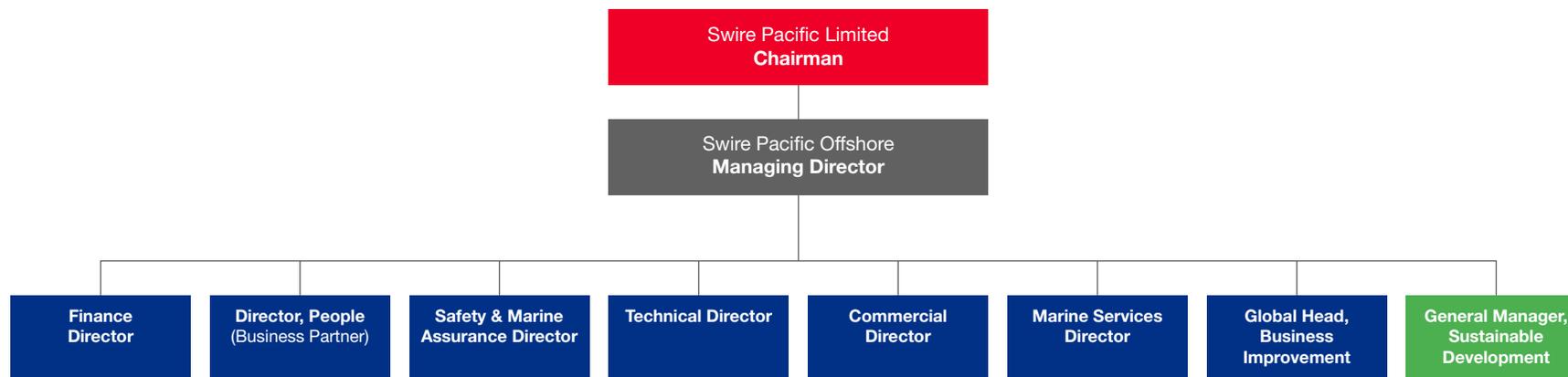
Organisational and Operational Boundaries

**SWIRE PACIFIC OFFSHORE**

Organisational and Operational Boundaries of Swire Pacific Offshore Operations Pte Ltd (OPE) and Approved Network Companies (ANC) under Singapore Approved International Shipping Enterprise Scheme (AIS) of OPE



Sustainable Development Structure and Composition of the Executive



**Sustainable Development Department structure and composition of the Executive and their role**

Sustainability is championed on the SPO Executive 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 33 years' experience within the Company, both offshore, and onshore in various offices and positions.

The GM SD reports directly to the Managing Director, 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 and supported by the Board members. One of SPO's Strategic objectives is to: "Manage our Business Sustainably". Reports to the Board include reporting on Sustainability by the GM SD. Our Sustainability performance is also reported to Swire group on a quarterly and annual basis and covers economic, environmental and social impacts. The composition of SPO's Executive Committee is shown in the organogram above.

The balance of the Executive team from the gender, age and ethnic diversity perspective is a recognised issue for SPO. SPO is addressing this through Leadership Development training and succession planning, as reported under Our People section of this report (this is a medium to long term plan).

The interests of external stakeholders relating to SD are fed back to the Executive by the GM SD following stakeholder engagement meetings and feedback from questionnaires. Staff internally are also able to feedback constructive comments to the Management Committee and/or ultimately the Managing Director via department heads, or by direct 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.

SPO also has a formal "Whistleblowing Procedure", through which concerns on potential governance or unresolved safety issues can be fed back quickly, and anonymously if required, to the relevant

member of the Management Team. Reporting of reported material concerns is formally tracked.

Sustainability-related risks are managed through regular reviews of our risk registers, board level reporting, and monthly and weekly management meetings. SPO also has in place a dedicated "Governance, Risks and Compliance Committee" and this reports three times a year, through the Executive Committee, on any changes in our risk profile to the parent company "Swire group Risk Management Committee" and its Working Group.

SPO's Sustainability Report is reviewed by the Managing Director prior to publication to assure accuracy and inclusion of all material issues.



**SD Policies and management systems**

The Executive Committee (“ExCom”) has operational responsibility for economic, operational, health and safety, social and environmental performance within SPO. SPO’s ExCom regularly reviews all the Company’s policies in the SD area, including Sustainable Development Policy, the Environmental Policy, Environmental Objectives, Goals and Targets, SPO’s Corporate Code of Conduct and our Supply Chain Sustainability Code of Conduct.

SPO’s anti-bribery policy is primarily set out in our Code of Conduct (“CoC”). In August 2016 SPO issued a revised CoC, which remains aligned with the Swire Pacific Code of Conduct. In August 2016 SPO also issued a new Anti-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 its fleet for many years. Together, our Policies, Safety Management System (SMS), Quality Management and Environmental Management Manuals have ensured that we operate fully in accordance with ISO 9001, ISO 14001 and the IMO ISM code.

Together, our Policies, Safety Management System (SMS), Quality Management and Environmental Management Manuals have ensured that we operate fully (i.e. externally audited) in accordance with ISO 9001, ISO 14001 and the IMO ISM code.

- Sustainable Development Policy**
- Environmental Policy**
- Environmental Objectives, Goals And Targets**
- Corporate Code of Conduct**
- Supply Chain Sustainability Code of Conduct**

- <http://bit.ly/2aZKRKR>
- <http://bit.ly/2r4NRjR>
- <http://bit.ly/2aVQxHM>
- <http://bit.ly/2s6Xfn6>
- <http://bit.ly/2aypLRa>

Sustainability for the companies within both the Swire Pacific Limited and John Swire & Sons groups has always been an issue of highest importance. Today, this is even more pressing than ever before as our planet faces very serious environmental challenges. As a result of this the Swire group has introduced “*Thrive*” to support the approach that will help ensure that all group business’ decisions are guided and underpinned by the best-in-class principles of environmental sustainability.

Our *Thrive* strategy lists six key areas where we all have both the opportunity and the responsibility to play our part in protecting our planet’s natural systems and resources, whilst simultaneously making us more efficient and resilient businesses that are set up to continue to succeed in the long term. The strategy is also a way to align the priorities of all companies within the group to focus on clear, tangible, metric-driven goals in order to achieve the greatest positive impact.

All Swire group companies are now working to establish and then achieve time-bound quantitative targets, due for delivery by 2030 with the initial emphasis on 2020 ‘milestones’ for each area of focus. The “Carbon”, “Water”, “Waste” and “Responsible Sourcing” areas on the diagram are the first for which the businesses will be setting metrics. Those for Biodiversity and Climate Resilience will then follow shortly thereafter.

SPO then refined during 2016 its own slightly expanded Sustainable Development strategy to be closely aligned to the *Thrive* concept that covers all six focus areas mentioned above, together with the addition of others which are material to our own Company. This strategy was introduced in late 2016/early 2017 and is presented in the Data section on page 68.



Swire has been in business for more than 200 years. Our business has stood the test of time because we have always looked ahead and taken the right decisions for the long term. The world is facing some of the most pressing environmental challenges of our time. We are committed to being part of the solution. So, when we make decisions for the long term, we consider our impact on the natural world. We depend on it and have the desire to enrich it. We will help create a resilient environment that provides for our future.

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

**The six focus areas are to:**

- Pursue a long-term goal of radical decarbonisation;
- Turn today’s waste into tomorrow’s resource;
- Use and manage water responsibly;
- Source materials sustainably;
- Protect and enhance biodiversity;
- Build lasting climate resilience.

## Sustainable Development Goals / Anti-corruption, anti-trust and monopoly practices

## Sustainable Development Goals

In September 2015, more than 190 countries signed up to the UN Sustainable Development Goals (SDGs), which set out a vision for ending poverty, hunger, inequality and protecting the Earth's natural resources by 2030. The UN explicitly acknowledged that the achievement of these SDGs is simply not possible without the involvement of the private sector. Our establishment of clear, tangible, measurable goals under our *Thrive* strategy, and then tracking our progress will allow us to positively contribute towards achieving the SDGs that are relevant to our operations and thus play a crucial role in helping to attain global Sustainability.

For more information on SDGs please visit: <http://bit.ly/1VXvanH>

The areas where SPO can make the most contribution to the achievement of the SDGs and those which are closely related to our business are detailed in the Data section on page 68. (SDGs and with Links to SPO's *Thrive* strategy with progress).

## Anti-corruption, anti-trust and monopoly practices

SPO does not tolerate *any* form of corruption, by *any* employee or agent, *anywhere* and we expect all employees and agents to work to the highest ethical standards, as detailed in our Corporate Code of Conduct (CoC). We also take the observation of best industry practices very seriously and require both our employees and contractors to display the highest ethical standards.

SPO's requirement for probity, transparency and accountable conduct in all business dealings and the Code of Conduct is a condition of everyone's employment. In 2016 SPO introduced compulsory training modules for all shore staff, through an online training platform. Training covers the CoC, UK Bribery Act (2010), Anti-trust and Preventing Harassment in the workplace. All modules require employees to pass the test demonstrating their understanding of the regulations. Our seagoing personnel also receive training on the Code by our Training Captains on our vessels, and on all Safety Management courses run at our Swire Marine Training Centre (SMTC) in Singapore. It is planned to extend the online assessment to our seagoing personnel in 2017/18.

All SPO staff must declare all gifts and hospitality given to them. Declarations are submitted online to HR team who check for compliance with the CoC.

Our own Internal Audit department and the Swire group Internal Audit department formally audit all business units using a risk-based assessment on a rolling basis. The internal audits are conducted under SPO's Internal Audit Charter, reporting to the Audit Supervisory Committee. The scope of the Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the organisation's governance,

risk management process, system of internal control structure and quality of performance in carrying out assigned responsibilities to achieve the organisations stated goals and objectives.

During 2016, SPO was not involved in any legal actions for anti-competitive behaviour, anti-trust, or monopoly practices and there were no breaches of our CoC.



**Supplier Management**

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

In 2014, SPO implemented a new procurement system. The new system sets a number of requirements that businesses must fulfil to be accepted onto our Approved Vendor List ("AVL"). In addition to the necessary and standard business information, we require all our key prospective vendors to demonstrate their alignment with these SPO's policies: Operating Policy, Code of Conduct and Supply Chain Sustainability Code of Conduct.

All suppliers initially undergo a self-audit to be eligible to be on our AVL; the questionnaire covers the main areas of sustainability-related

risk and asks for evidence on how they manage these risks. After this and an internal risk-based assessment, SPO's global suppliers above a certain annual spend are then also physically spot-audited on site against this Code, covering six main risk areas, including Health and Safety, Ethics, Labour Standards and Human Rights compliance, etc.

These audits are used as sharing sessions of best practice approach to sustainability, in which SPO works with suppliers in order to make them more sustainable, and in return adopts good practices suggested by our suppliers. SPO started conducting Supplier audits in Singapore in 2013 and extended this to our other offices and regions. In 2016 we audited four companies in accordance with the above procedure, with the overall number of companies being audited globally to date totalling 38.

In 2016, 23,000 sales and transactions were performed supporting our global operations.



SPO has a strong preference to work with suppliers who share the Company's commitment to honesty and integrity.



## Child and Forced Labour / Modern Day Slavery Act / Stakeholder Engagement and Materiality

### Child and Forced Labour / Modern Day Slavery Act

As a business with both a history and an ethical framework of following good employment practices, SPO is committed both to providing good working conditions for its employees, and ensuring that our suppliers do likewise, in accordance with universal international best practice, and to protecting their safety and health. We recognise that Modern Day Slavery is sadly not a historical issue, but is prevalent today also, and support that this issue has become increasingly visible. We take seriously all legal and moral duties in this regard.

SPO's Code of Conduct requires the entire SPO group of companies to comply with all applicable local, national and international laws and regulations in each of the countries/ jurisdictions in which it operates and with all company policies. That requirement ensures that SPO (and its suppliers) will not engage forced/child (except for a very limited number of tightly regulated apprenticeships)/bonded or prison labour or apply undue disciplinary measures or unacceptable charges to our (or their) 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

or child labour. A "child" is defined by SPO as being less than 16 years of age. Noting that each country of operation also may have more specific local labour requirements which must also be followed, the minimum working age for allowable operations connected with SPO must never be less than 16.

As part of our compliance with the Modern Day Slavery Act in 2016, we conducted modern slavery risk assessments within all of our businesses around the world. These will be supplemented by physical audits of suppliers adjudged to be higher risk, and training for relevant SPO managers in 2017 and beyond in the areas of Modern Slavery and Human Trafficking. SPO monitors and manages those risks proactively on an on-going basis by continually working to strengthen our management systems and raising awareness of our managers, equipping them with knowledge to identify potential areas of risk.

### Stakeholder Engagement and Materiality

We conduct ongoing materiality assessments as a follow-up to our Sustainable Development presentations for shore-based and sea staff. Our stakeholder consultation programme covers office visits (employees and clients), officer and crews' fora (for sea-going employees), training programmes (sea staff and industry partners) at SPO's marine training centre in Singapore and on board our vessels (sea staff), shore employee induction programmes and many other *ad hoc* events

(media tours, presentations to clients etc.). Apart from increasing the awareness of Sustainable Development among our staff, our engagement programmes offer an avenue to all employees to voice any concerns related to safety, governance, ethics, human rights, labour practices and environmental issues. These are documented by the Senior Managers of the respective areas, who are then responsible for responding to, and acting upon, any valid concerns.

Through our stakeholder engagements and surveys in 2016, we have identified and ranked the importance that our stakeholders give to the various components that make an organisation "Socially Responsible". Surveys are conducted following each engagement event to ensure that we receive maximum feedback from a wide variety of stakeholders. The areas and results are shown on page 66 and demonstrate the components' materiality to our stakeholders (rated >90%).

The top areas (rated >95%) which are considered most material are as follows:

- Sound Health and Safety practices;
- Avoidance of pollution of the marine environment and environmental leadership;
- Good Governance, ethics and accountability;
- Provision of fair employment and benefits;
- Social Responsibility among staff, customers and supply chain.

Further to this, we have undertaken a Value Chain analysis, which helps us understand where we can more effectively create value and identify material issues across our value chain.

This report has been structured to address areas of materiality to our stakeholders, per the Materiality Index on page 66. SPO's Value Chain analysis can be found on page 67. We plan to align our next SD report with our Value Chain under the GRI Standards requirements and include the results of external stakeholder engagement planned for 2017.

**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 company policies.**

**Awards Received in 2016**

**Awards Received in 2016**

SPO was awarded the “2015 Best Vessel Operator Award” by Brunei Shell Petroleum (BSP).

SPO was also presented with an award by Mr Andrew Tan, the Chief Executive of Singapore’s national maritime regulatory body, Maritime and Port Authority of Singapore, to acknowledge SPO’s commitment towards Singapore’s seafaring manpower development and the good work that SMTC does in advanced professional training for Singaporeans and in Singapore during the year.

This award also recognises SPO’s Singaporean Cadetship scheme, active participation in outreach and educational events such as the OSV@Vivo during the Singapore Maritime Week. Our vessel, *Pacific Legacy*, (see pictures on this page) was open to members of the public for three days to raise the profile of the OSV industry and heighten awareness about seafaring and maritime professions in this sector.



Our vessel, *Pacific Legacy*, was open to members of the public for three days to raise the profile of the OSV industry and heighten awareness about seafaring and maritime professions in this sector.



Above photo credit:  
Singapore Shipping Association

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*In this section:*

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**22** Employee Profile

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**25** Diversity and Inclusion

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**27** Employee Retention / Pay and Remuneration

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**28** Performance Management / Commitment to Training

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**30** Competence Assurance / Career Succession Planning

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## Our People

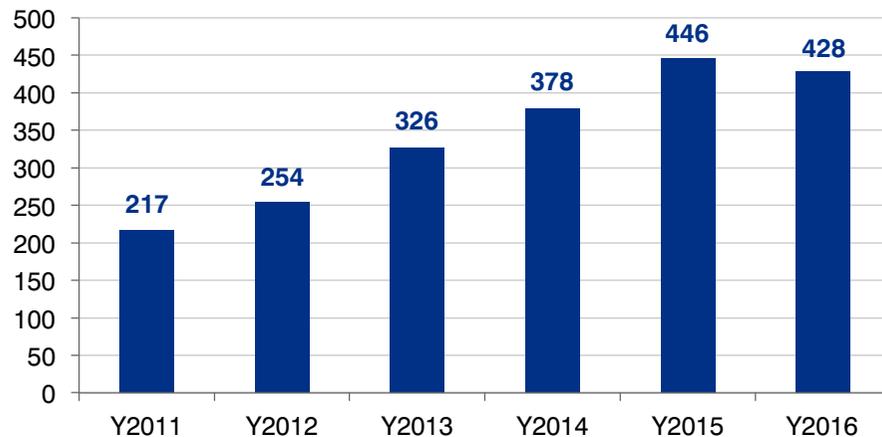
SPO employees are the Company's key assets. SPO aims to be the Employer of Choice by treating people with respect and providing them with good and safe working conditions, equitable remuneration and benefits. We invest in our people by providing them with discretionary, paid training, offering career progression and rewarding loyalty.

### Employee Profile

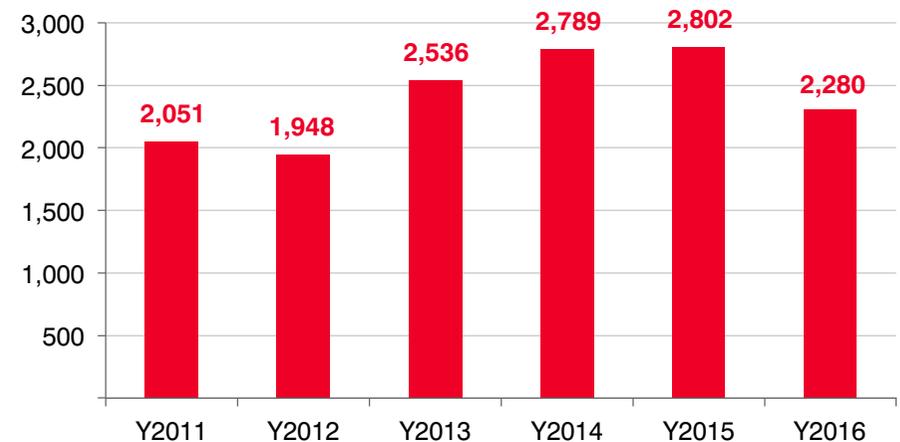
At the end of 2016, SPO employed 2,708 people in various locations around the world. These employees came from 48 countries. 428 of our employees were shore-based, and 2,280 were seafarers.

Whilst over the previous reporting period, 2011-2015, the shore-based employee numbers were increasing steadily, the industry downturn in 2016 resulted in a 4% decrease in our shore-based employees, whilst seagoing personnel numbers decreased by 19% reflecting the unavoidable commercial decisions to sell or warm/cold stack vessels to await the upturn into the next cycle.

Number of shore-based employees



Number of seagoing employees



Our shore-based employees are located in 28 offices around the globe, with eight key (where key is defined as >3% of total) locations as follows:

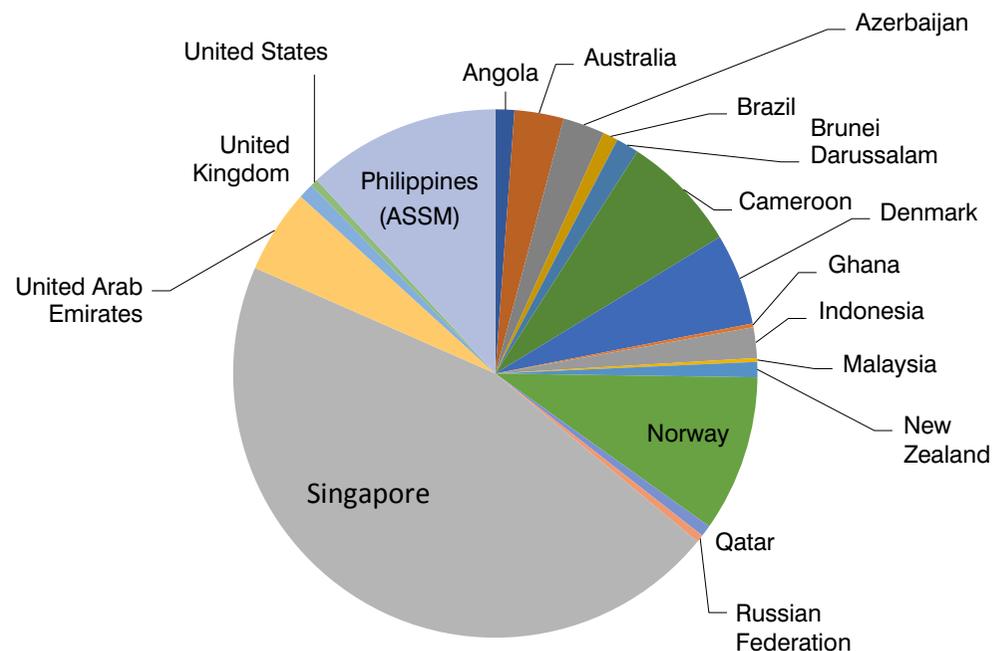
- Australia – 3%
- Azerbaijan – 3%
- Cameroon – 7%
- Denmark – 6%
- Norway – 10%
- Philippines – 12%
- Singapore (HQ) – 46%
- United Arab Emirates – 5%

with the remaining 9% being based in Angola, Brazil, Brunei, Ghana, Indonesia, Malaysia, New Zealand, Qatar, Russia, United Kingdom and United States among others.

86% of our staff were classified as “Local” in 2016, the same figure as in 2015. We define “Local” as a national or permanent resident of the country of employment. The balance of 14% are classified as “Expatriates”. However, almost a quarter (24%) of the “Expatriate” staff are parent company managers who are rotated through internal postings within the Swire group. The rest have necessary industry-specific, technical competencies and generally are long-term career managers with the company worldwide.

	Total # of shore employees	Expat	Local
2011	217	12%	88%
2012	254	14%	86%
2013	320	15%	85%
2014	373	14%	86%
2015	446	14%	86%
2016	428	14%	86%

**Shore employee locations**



86% of our staff were classified as “Local” in 2016, the same figure as in 2015.

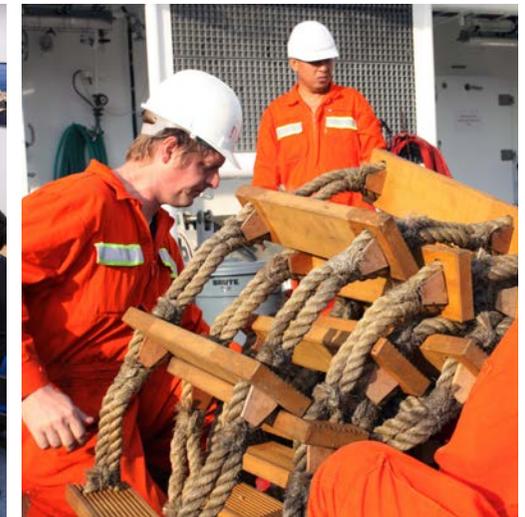
All the seagoing employees of SPO are employed through dedicated industry-specific (and often geographically-specific, as/where required under local laws and regulations) manning companies, which are either wholly-owned by SPO or directly contracted with SPO as their principal. They are regarded as in-house, long-term employees and are certified in their professional competence in accordance with the statutory IMO Standards of Training, Certification and Watchkeeping for Seafarers ("STCW") Convention of 2010 and, since 2006, the International Labour Organisation's ("ILO") Maritime Labour Convention ("MLC").

Amongst our shore employees, 98% were employed on full-time, permanent basis whilst the remaining 2% were temporary or contract staff. 128 were in managerial positions with 300 being in support roles, with the average years of service being 6.04 years.

All of our employment contracts comply with relevant local employment laws. We provide additional benefits, often in excess of regulatory requirements, such as private healthcare insurance cover for all seafarers and medical insurance for shore staff, and for all seafarers, life insurance and paid pension arrangements or cash *in lieu*.

Given the different nationalities and work locations of our employees, we have not provided a detailed breakdown on the types of employment contracts or staff benefits herein as this a) would entail a very voluminous report of limited value, and b) the contracts vary as our fleet continually moves around the world between various work locations.

All of our seafarers are covered by collective bargaining agreements (CBA) as required by the Maritime Labour Convention (MLC) 2006.



All of our employment contracts comply with relevant local employment laws. We provide additional benefits, often in excess of regulatory requirements, such as private healthcare insurance cover for all seafarers and medical insurance for shore staff, and for all seafarers, life insurance and paid pension arrangements or cash *in lieu*.

**Diversity and Inclusion**

We have an exceptionally diverse workforce of various religions and age groups with seafarers coming from 43 countries, shore-based staff comprising 34 nationalities, and offices in 28 countries around the world. We work towards ensuring that we have a cohesive, value-adding team, and that everyone is treated with respect.

*Shore-based staff*

In 2016, of the shore-based employees, 53% were male and 47% were female. These figures have been very similar over the last six years, fluctuating by less than 1% demonstrating a relatively proportionate gender distribution.

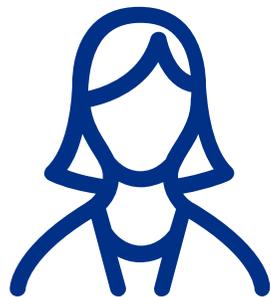
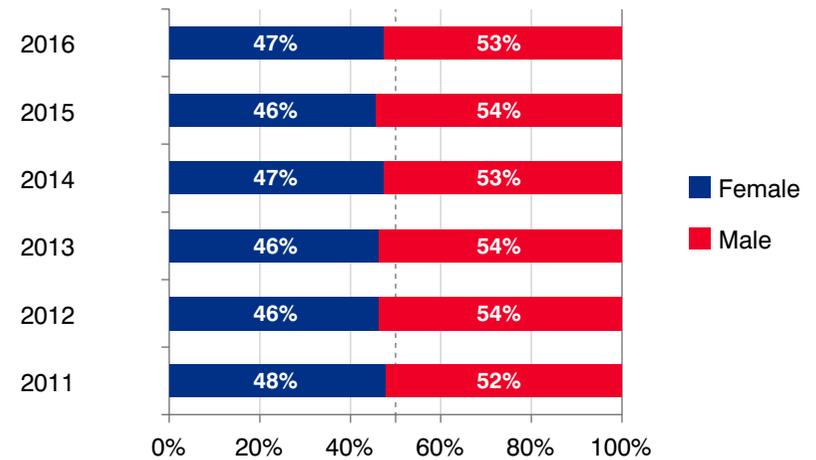
The breakdown by employment type, job level and age group by gender shows that there are

four times more men in managerial positions than women (20% vs 80%). We are acutely aware of this and are addressing it actively through our Leadership training programmes, though instituting merit-based change from the status quo will not happen overnight and must be accepted as a journey.

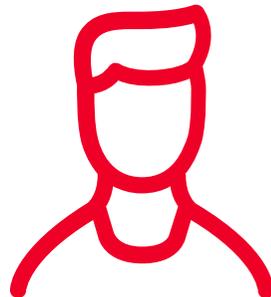
*Sea staff*

Among our sea staff, there were 31 females (1.4% total number of seafarers). This is an increase from last year and which is mainly due to more females joining our accommodation barges. However, the low percentage of female representation is reflective of the shipping industry as a whole (excluding the cruise sector which artificially skews the figures due to the number of females in hotel support roles).

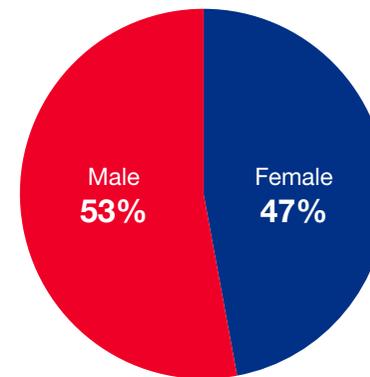
**Breakdown of shore-based employees by gender**



**Female**  
**202**



**Male**  
**226**

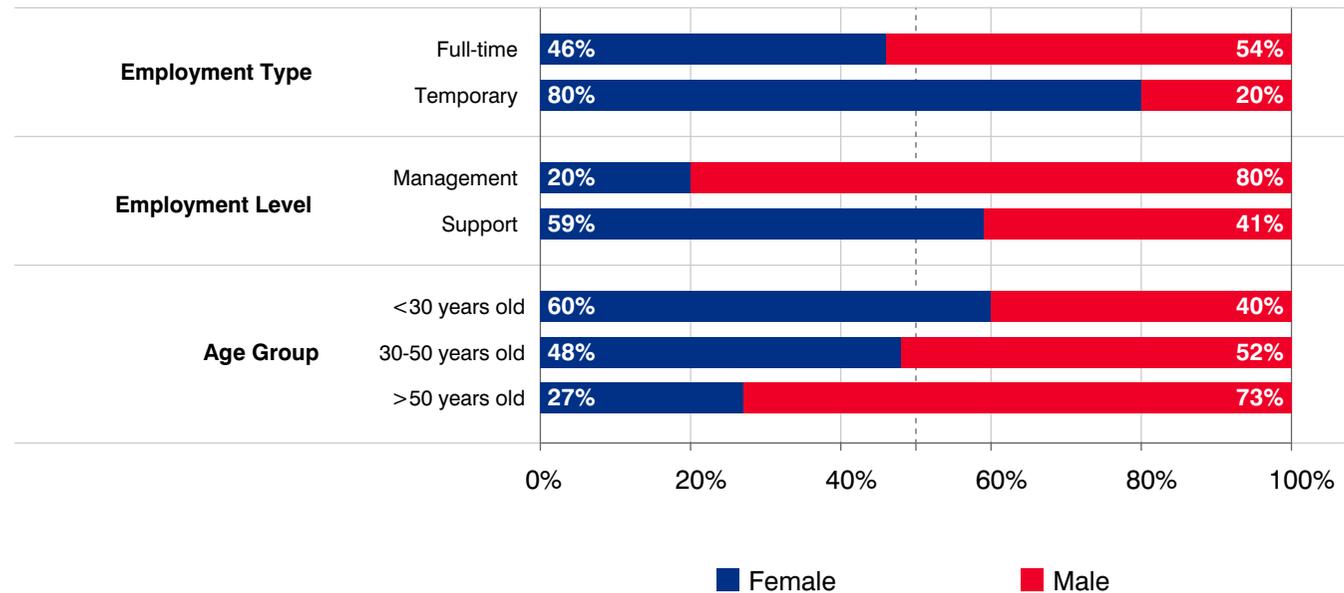


We continue to seek to encourage more women to join SPO fleet by creating a culture where women feel safe and are supported. In addition to our HR policies we provide an Advice and Guidance whistleblowing hotline to deal with any potential issues. In 2016, SPO issued the Equal Opportunities, Diversity, Inclusion and Respect in the Workplace Policy which aims to embed diversity, equality of opportunity and inclusivity 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.

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 or other breaches of applicable law.

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.

**Shore Employees**



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

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

Employee Retention / Pay and Remuneration

**Employee Retention**

SPO continuously strives to be an Employer of Choice, and were proud to have an industry-leading retention rate of 94.6% for seagoing employees (2015 figure). Due to the deteriorating market conditions, SPO had to make commercial decisions that led to the reduced number of operating vessels and subsequently sea and shore-based personnel. Despite this, SPO made every effort possible to save jobs, managing to retain 81% of sea staff employed in 2015.

For our shore-based employees, retention rates have been also higher than in the previous years, reflecting the industry downturn.

The high turnover rate in Australia is due to the small number of staff (13 in total) so due to the natural terminations, transfers to other business units and end of contract terms, the percentage seems inflated.

In order to reduce costs SPO introduced a number of measures which affected both sea and shore-based employees:

- Introduction of a Voluntary Unpaid Leave scheme to reduce costs while protecting jobs;
- Pay freeze and bonus cuts;
- Reduction in mariner pay scales and selective headcount reductions to reflect capacity reduction.

We have, however, maintained our overriding commitment to safety and quality and, unlike some of our competitors, we have continued to invest in staff training and welfare. We recognise that our people are our most important assets and we have done our best to protect jobs and retain key talent.

**Pay and Remuneration**

SPO is an equal opportunity employer and all staff are hired based on their ability to do their job. We conduct regular reviews and SPO confirms that there is no instance of men and women with the same competence and/or experience being paid differential rates for performing the same work. This is true in both pay scales publicly offered and in actual remuneration received.

Remuneration is set according to the local market rates for specific skill sets and experience. Salaries are set by the internal Compensation and Benefits Department and in accordance with the local geographical market guidelines so that we can both attract and retain the best talent.

Executive pay is determined after discussions with external consultants, combined with the use of benchmarking data from similar organisations. For sea staff, pay negotiations are undertaken collectively with relevant international or national bodies, and administered under Collective Bargaining Agreements (CBA) in accordance with the ILO MLC 2006.

SPO does not provide performance-based pay, equity or shares as part of its remuneration packages regardless of seniority. Bonuses are awarded for performance on a discretionary but equitable basis. Pensions are provided as a minimum as per statutory requirements, and in some jurisdictions (e.g. with our Filipino seamen) in excess of statutory requirements. For expatriates the pension contribution rate is the same, at 20%, regardless of seniority.

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

**Shore Employee turnover rate in % by key locations**

	2016
Australia	62%
Azerbaijan	9%
Cameroon	10%
Denmark	4%
Norway	0%
Philippines	14%
Singapore	28%
United Arab Emirates	9%



**SPO continuously strives to be an Employer of Choice, and were proud to have an industry-leading retention rate of 94.6% for seagoing employees in 2015.**

### Performance Management

All seafarers receive an open performance evaluation review conducted by the Master (and where relevant, the Chief Engineer) at the end of their tenure on board a vessel. The performance reviews for the Master and the Chief Engineer are conducted by the relevant Outport Manager/s where the vessel is stationed at the time of their signing off. The appraisal reviews such as the specific skills set, personal characteristics, teamwork and leadership qualities of the reportee, among others. The process identifies areas for improvement and training opportunities as well as individual strengths and these are fed into the recognition, reward and promotion programme.

For shore-based staff, performance management is undertaken at least annually using the internal SwireConnect® HR software package. Performance assessments include a review of performance against mutually established smart goals, and alignment against Swire values and defined job competencies. All shore-based staff employees in all locations undergo the performance appraisal process which is the key component of our performance culture.

### Commitment to Training

SPO recruits, trains and develops its talented employees for the long term. The Company's training policy emphasises the benefit (to both company and individuals) from investment in discretionary training over and above any non-discretionary statutory requirements, to enhance the quality, safety and professionalism of our operations. The Company made a significant investment in the Swire Marine Training Centre (SMTC) which was opened in Loyang in Singapore in 2007 by Mrs. Lim Hwee Hua, Senior Minister of State for Finance and Transport with oversight for the aviation and maritime industries. The training centre is the most advanced of its kind in the offshore industry and the first of such totally integrated facilities in Asia; it provides a focal point in the development of our sea staff within the company. SMTC has also provided maritime operations training for our "blue chip" clients, our class societies and our peer group on an *ad hoc*, on request basis.

The Training Centre's facilities have the ability to fully simulate the integrated working environment of SPO's range of classes and types of offshore support vessels in a safe, well managed, non-fuel expending setting. The

simulators are used to provide discretionary training in safety management, anchor handling (from basic level through to teaching the advanced skills required for working in deeper waters on our highest horse powered vessels), dynamic positioning (both operationally and for system maintenance), electrical and control systems engineering and engine room operations.

In 2016, amid one of the worst downturns in the global oil and gas industry, our commitment to training and development of our sea staff

remained high and unchanged. Over the 12 months we trained 739 seafarers at SMTC, on 99 separate courses for a total of 20,127 training hours. While in 2015 the numbers were a little higher (1,105 seafarers/148 separate courses/31,104 training hours), the decrease is directly related to the 19% reduction in our sea staff establishment. For sea-going personnel, the average number of training hours reduced slightly from 11.10 hours per person in 2015 to 9.50 hours per person in 2016 (these figures exclude all mandatory STCW courses).



SPO recruits, trains and develops its talented employees for the long term.

In 2015, SPO shifted its focus further from external to internal training, using in-house training modules for our shore staff provided by our Business Improvement and HR Departments rather than external training providers. We did this as we believe that this will enhance our culture of investing in continuous learning while tailoring it to the specific needs of our business. These were combined with external courses in the areas outside of our internal competency areas.

We also invested in an online third-party learning platform that offers flexible learning modules for all staff on various business and non-business related topics. This was a significant investment for the group and demonstrates our commitment to training and development.

In line with this commitment and our Training and Development Plan, the training hours for our shore-based employees in Singapore in 2016 increased to 3,774 hours from 2,171 in 2015. The average number of training hours for shore employees in Singapore increased from 5.45 hours per person in 2015 to 19.35 hours per person in 2016. The average number of training for all shore-based employees in all locations was higher for management personnel.

SPO’s Business Improvement (“BI”) department aims to enhance safety, process efficiency and productivity. The improvement journey seeks to bring about incremental change in every aspect of the business, to ensure SPO continues to improve and perform as an industry-leading business. Central to the improvement journey is a company-wide

departmentally-focused ‘GOALS’ programme and a more detailed “Greenbelt” programme which equips individuals with more advanced skills and training such as Lean Six Sigma methodology.

In 2016 SPO launched its inaugural Leadership Development Programme in Singapore (for staff with “Team Leader” and “Operational Leader” potential). These programmes seek to equip leaders and managers within the organisation with the requisite leadership competencies and skills so that they can lead their teams more effectively. 48 employees took part in the learning journey towards leadership excellence in 2016 and plans are in place for wider and deeper engagement over the next few years.

SPO also launched new Learning Management System (LMS) on “SwireConnect®” as part of the Company’s continuing commitment to investing in its people. The new LMS system was launched in conjunction with Lynda.com, an industry leader in online training. Shore-based employees can now access an extensive selection of online courses on software, creative, and business skills on the new platform.

The addition of this learning portal allows shore-based employees (online connectivity to our fleet, via satellite cannot support this at present) to receive training, learn new skills, and acquire new knowledge at their own convenience beyond the formal classroom training.

**Shore Personnel World Wide**

		<i>No. of training hours</i>	<i>No. of staff</i>	<i>Average no. of training hrs per person</i>
<b>Training hours</b>	<b>Management</b>	2,274	128	17.77
	<b>Support</b>	1,543	300	5.14

\*breakdown by gender is not available

In 2016 SPO launched its inaugural Leadership Development Programme in Singapore. These programmes seek to equip leaders and managers within the organisation with the requisite leadership competencies and skills so that they can lead their teams more effectively.

Competence Assurance / Career Succession Planning

**Competence Assurance**

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

CAD helps to identify, monitor and arrange for the training requirement of officers and crew. This department ensures that we cover all necessary training needs, with courses delivered either internally or externally depending on the requirements. Training needs are also identified through Performance Evaluation Reports (PEV) and by our floating personnel during their visits on board.

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

**Discretionary External training:**

- Preferred training to ensure safety of seafarers;
- Training for introduction and familiarisation on company, e.g. specifically on the equipment our vessels use;

**Discretionary Internal training:**

- SMTTC training courses (covering Junior and Senior Safety courses, DP, Electrical etc.);
- Advancement Evaluation (assessment on eligibility for a promotion);

- United Marine Training Centre, Manila (developed by CAD): Culinary courses/ Junior assessment;
- Cadet induction courses;
- On-the-job induction courses;
- Cook Trainers and AB/Bosun Trainers;
- Cadet programme;
- Training captains.

Training is provided on board SPO's vessels by Training Captains and by running regular safety drills. SPO also provides discretionary back-deck training, on courses developed, and in dedicated training areas built, at our request, for our deck crew members to ensure they have safety spatial awareness in the hazardous environment specific to the offshore sector, at Training Centres in the Philippines.

In order to improve standards of service delivery, improve quality and reduce food waste, SPO employs Cook Trainers who are responsible for instructing our fleet's cooks, with an emphasis on safe and hygienic practices in our vessels' galleys. Cook Trainers also organise professional upskilling courses to increase ships' cooks' competence levels in order to provide better nutrition to our staff and our clients.

During 2016 SPO held nine courses at the United Marine Training Centre, Manila, Philippines, attended by 39 SPO (ASSM) and six Expat SPO cooks in West Africa (WAF). Along with the upgrade course, on successful completion SPO cooks obtained National Certificate 3 (Ship's Cook). Our Cook Trainers have also been working on actively addressing the issue of unnecessary food ordering and waste.



Some of our cooks with lead lecturer Chef A.J. Javier, about to take their new food culinary skills back into the fleet. The feedback was very positive, with attendees stating that "this training was one of a kind and my brain was squeezed", "lots of knowledge gained that will inspire me in my culinary career".

Investment in SMTTC, CAD, Training Captains and Cook Trainers together with our training courses and online learning platform are examples of SPO's commitment towards ensuring a competent workforce to meet SPO's vision of 'Excellence in Marine Services', in addition to helping to make SPO the Employer of Choice.

**Career Succession Planning**

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

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In this section:

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**32** Safety as a Priority

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**33** ISM / Safety Training

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**34** Near Miss and Hazard Identification / LTIs

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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 as a Priority

The health, safety and wellbeing of all our employees and other personnel impacted by our operations remain the Company's top priority. In 2016, SPO continued its relentless pursuit of achieving its goal of 'Zero Harm' by initiating a HSE improvement plan to simplify core process and procedures, align and enrich existing training and incorporate lessons learnt into the training improvement cycle.

The second video in our *Get Home Safe* series was published in August 2016; these video's seek to heighten awareness of workplace safety amongst our employees through real-case incidents on board our vessels.

As part of the continual improvement and annual review process, all Health, Safety and Environmental (HSE) Policies were reviewed, updated and endorsed by the Managing Director.

An enhanced Drugs, Alcohol and Substances Policy, formally adopting Zero Tolerance to drug and alcohol abuse in the work place, was issued and promulgated fleet-wide in April 2016.

A new "STOP Work" Safety Policy was published in September 2016; this Policy was devised to augment and replace our existing STOP Work Procedure contained in our Safety Management Manual. The new STOP Work Policy explicitly states that "it is the right, obligation, authority and responsibility of ALL employees and contractors, irrespective of position, seniority or discipline, to STOP work which they consider to be unsafe and that the Company will fully support the decision to STOP Work".

Quarterly Safety Campaigns, derived from lessons learnt, for promulgation and discussion during on board Safety Meetings, were implemented in Q3 2016.

As part of the procedural review and update process, the Anchor Handling and Towing Manual and Dynamic Positioning (DP) Operations Manual were rationalised. These Manuals will be published in Q2 2017.

The health, safety and wellbeing of all our employees and other personnel impacted by our operations, remain the Company's top priority.

Similarly, in consultation with our seafarers, the Risk Assessment and Hazard Register is currently undergoing review and rationalisation. The new process will be trialled on board selected vessels before implementing across the fleet in 2017.

### 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 indicated by the issue of a Document of Compliance (DoC).

SPO successfully completed annual audit by ABS in November 2016 and holds Documents of Compliance (DoC) for 5 Flag States:

- Cyprus
- Indonesia
- Malaysia
- Singapore
- U.A.E.

### Safety Performance

SPO tracks its Lost Time Incident Frequency Rate (LTIFR) and Total Reportable Case Frequency Rate (TRCFR) as lag indicators of our safety performance. There was a significant

improvement in SPO's safety performance in 2016 with a 54% decrease in our LTIFR and 25% decrease in our TRCFR.

### 12 Month rolling average LTIFR and TRCFR against target

See pages 71 and 72

### Safety Training

SPO continues to provide robust, quality in-house safety training at SMTC (see page 28). In 2016 SMTC expanded its portfolio by introducing additional deep water Anchor Handling Course and Practical Ship Management training (including "TOPSET®"). Core training, delivered at SMTC, is further accentuated by our Training Captains deployed on board to provide additional coaching, mentoring and support.

Routine monthly meetings with SMTC, and the Competence Assurance and HSE Departments are held to promulgate and discuss lessons learnt in our fleet and from the wider industry sector, and used to keep our training syllabi as up to date as possible.



There was a significant improvement in SPO's safety performance in 2016 with a 54% decrease in our LTIFR and 25% decrease in our TRCFR.

**Near Miss and Hazard Identification / LTIs**

**Near Miss and Hazard Identification**

SPO records all hazards and near misses as leading indicators of our safety performance; high potential near misses are further investigated and highlighted in the monthly HSE report. In 2017 near misses will also be included as a KPI.

SPO reported 473 Near Miss/HazID in 2016; a slight drop from the 498 reported in 2015.

**Historical Performance Indicators**

**Number of Near Miss and Hazard Reports**

See page 73.

**LTIs**

SPO recorded four LTIs in 2016 (one of which was shore based) compared to 10 in 2015. This is a material improvement, and an excellent reward for the extra resources and dedication by all employees to improving our performance in this area.

**Total Number of Incidents by Category**

44 First Aid Cases were reported in 2016 as opposed to 65 in 2015. See page 74 for pie charts.

**Total Recordable Cases by Tasks Performed**

67% of recordable injuries in 2016 occurred whilst undertaking routine tasks on board. See pages 75 for graphs.

**Total Recordable Cases by Type of Accident**

The three main types of accident recorded are still slips, trips and falls, followed by muscle stress and repetitive movement and being struck by a moving/falling object. See pages 78 for graphs.

**Total Recordable Cases by Rank**

See pages 81 for graph.



**TOTAL SPO LTI - YTD**

2011	7
2012	8
2013	10
2014	9
2015	9
2016	4



SPO records all hazards and near misses as leading indicators of our safety performance.

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*In this section:*

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**36** SPO Remains Committed to Being Carbon Neutral

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**37** Environmental Highlights

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**51** Climate Related Risks and Opportunities

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**SPO committed to achieving Net Zero Environmental Impact in 2008. We wish to excel as a responsible corporate citizen by striving to be a good steward of the natural resources and biodiversity under our influence and to ensure that all potential adverse impacts of our operations on the environment are identified and appropriately managed.**



## **SPO remains committed to being Carbon Neutral**

The UN FCCC Climate Agreement signed in Paris in December 2015 and the newly adopted UN Sustainable Development Goals both urge governments and private sector companies to take urgent action to combat climate change and its negative impact on the world, the people and environment. Maritime transport emits around 1,000 million tonnes of CO<sub>2</sub> annually equivalent to about 2.2% of global greenhouse gas emissions.

Shipping emissions are predicted to increase between 50% and 250% by 2050 – depending on action taken by the sector and external future economic and energy developments. This is not compatible with the internationally agreed goal of keeping global temperature increase to below 2°C (and to strive for no more than a 1.5°C increase) compared to pre-industrial levels. This requires worldwide

emissions to be at least halved from 1990 levels by 2050.

While the international maritime community is establishing a study to review the necessary emission reduction targets, SPO, which has long been strongly committed to this goal, has been implementing various initiatives in order to reduce and mitigate its Scope 1 and 2 carbon footprint (i.e. the emissions from our business operations). In 2010, we invested in a project to stop deforestation (REDD+) in Paraguay which allows us to generate sufficient carbon credits to offset the Scope 1 and 2 CO<sub>2</sub> emissions from our operations, and so becoming carbon neutral.

SPO engaged the World Land Trust and its local NGO partner in South America, “Guyra Paraguay”, to design, establish, manage and operate a REDD+ (Reduced Emissions from avoided Deforestation and Forest Degradation) forest conservation scheme in Paraguay.

**SPO has long been strongly committed to reduce and mitigate its scope 1 and 2 carbon footprint (i.e. the emissions from our business operations).**

The two parcels of land in Paraguay which constitute this scheme aim to preserve primary forests and their biodiversity, and were designed to generate sufficient carbon credits to ensure that SPO is carbon neutral over a 30-year period with effect from 2011. The project requires a total (Capex and Opex) of ~USD 7 million foreign direct philanthropic investment and will allow the legally registered land title to ~5,000 ha of ancestral and/or sacred lands to be returned to the indigenous population, to be under their ownership and care “for conservation in perpetuity”.

The project was designed to meet both the ‘Gold Level’ of the Climate, Community and Biodiversity Alliance (CCBA) Standard and the Verified Carbon Standard (VCS). This project is solely driven by SPO’s sense of environmental and social responsibility and is a wholly voluntary commitment (for more information on this project please see SD report for 2011-2015 calendar years - page 52.

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

However, with SPO’s growing fleet and reduced fleet utilisation rates in the current downturn, our directly attributable (Scope 1) carbon footprint has significantly increased over that which was forecast when the REDD+ project was first developed. This means that in order to remain carbon neutral SPO has had to top up its own project’s developed carbon credits by purchasing additional credits through a registered Carbon Exchange in the European voluntary emissions market to be able to fully offset our emissions.

Thus in January 2016, SPO purchased credits worth 250,000 tonnes of CO<sub>2</sub> (tCO<sub>2</sub>) emissions from two dual-accredited projects that have both environmental and added social value.

The two projects are:

#### **Ecomapuá Amazon REDD Project**

150,000 tCO<sub>2</sub> credits came from the Ecomapuá Amazon REDD Project which is located on Marajó Island, Pará State, in Brazil’s Eastern Amazon region. The primary objective of the project is very similar to our project in Paraguay, viz. to avoid the unplanned deforestation of an 86k hectare (ha) area within a private property owned by Ecomapuá Conservação Ltda. The project will achieve predicted net reductions of 4.2K hectares of deforestation, and 1,432,278 tCO<sub>2</sub>e emissions over the 30-year project lifetime. The project located in the Northern Brazilian state of Pará. It preserves the Amazon biome on Marajó Island, at the mouth of the Amazon River.

As a result of the project, commercial wood extraction, which has been a major cause of deforestation in the region, was banned in the project area. In addition to conserving the rich biodiversity of the Amazon, the project aims to promote alternative sources of income for local communities through organic acai berry farming and has supported research and schools in this remote area, thus contributing to the sustainable development of the region.

#### **Inner Mongolia Wind farm project**

Another 100,000 tCO<sub>2</sub> credits came from an Inner Mongolia Wind farm project which is located in Wulanchabu city, Inner Mongolia autonomous region. The wind turbines in the project location are generating electricity from wind and supplying it to the North China power grid. The project allows for greenhouse gas (GHG) emission reduction and contributes to the economic development in Wulanchabu and helps to improve the air quality in China, particularly in the badly affected Beijing downwind, through the reduction of the amount of coal generated electricity (and other related pollutants released by the fossil fuel-fired thermal power plants). The project also has a

number of sustainability benefits ranging from natural resource conservation, to maintaining local community participation and welfare through job creation and health and safety practices.

Both projects were chosen for their certified environmental benefits and the economic and social benefits to the local communities that generate additional social value to the carbon credits.

SPO thus remains 100% carbon neutral, with any future downfall to be made up by the purchase of similar carbon credits with added social value through an accredited carbon exchange.



**SPO has remained 100% Scope 1 and 2 Carbon Neutral since 2011.**

**Environmental highlights**

All SPO vessels use Marine Gas Oil (MGO): a low-sulphur (<1.5%)/particulate matter (PM) fuel in accordance with ISO 8217:2012 and will usually use ultra-low sulphur (ULS) gas oil (<0.5%) where available. As a conscious effort to reduce gas emissions, SPO constantly upgrades its fleet using latest technology and emission control equipment. The company's new generations of vessels are certified by DNV for 'Clean', 'Clean Design' (or equivalent), resulting in lower emissions, including refrigerant gases, to the atmosphere from all machinery, and are delivered with a 'green passport' for future recycling across the life of the vessel.

Vessels recently built for SPO have been fitted with Low-NO<sub>x</sub> engines, sewage treatment plants, waste macerators and garbage compactors. Vessels undergoing routine dry-docking over the past decade have been coated with fully TBT-free anti-fouling applications (in accordance with the IMO TBT Resolution passed at MEPC42 in November 1998, in force from 01 January 2008).

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

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

SPO has also adopted a target of ZERO unplanned releases of substances hazardous to the marine environment. This includes mineral oil/other hydrocarbons, chemical spills and the release of ozone-depleting substances such as HALON/CFC to the atmosphere. Reporting of accidental spills/releases is a statutory requirement, through the appropriate procedures and reported to relevant authorities.

To promote environmental awareness, ships' staff are encouraged to separate waste, maintain high standards of housekeeping

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

SPO is certified to ISO14001:2004\* and ISO9001:2008\*. SPO is also 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 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 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 often are) audited by national inspectors at every port worldwide at which every ship calls.

\*These will be updated to the 2015 standards in 2017.

SPO has adopted a target of ZERO unplanned releases of substances hazardous to the marine environment.



Energy use (Scopes 1, 2 and 3)

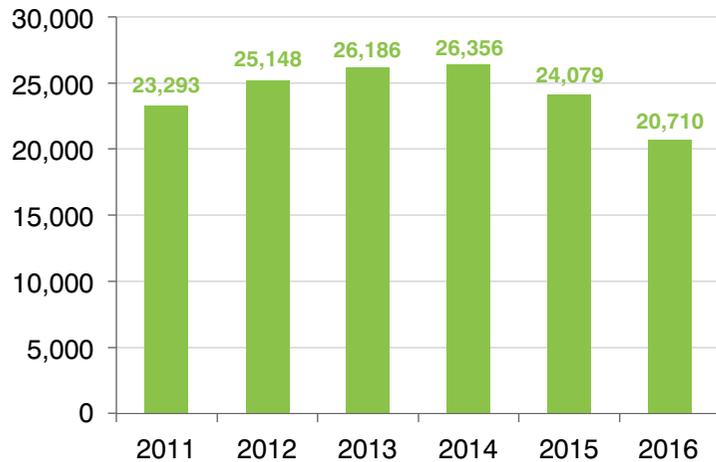
Energy use (Scopes 1, 2 and 3)

We make a clear distinction below 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.

To better evaluate the reporting of our total consumption (and associated emissions),

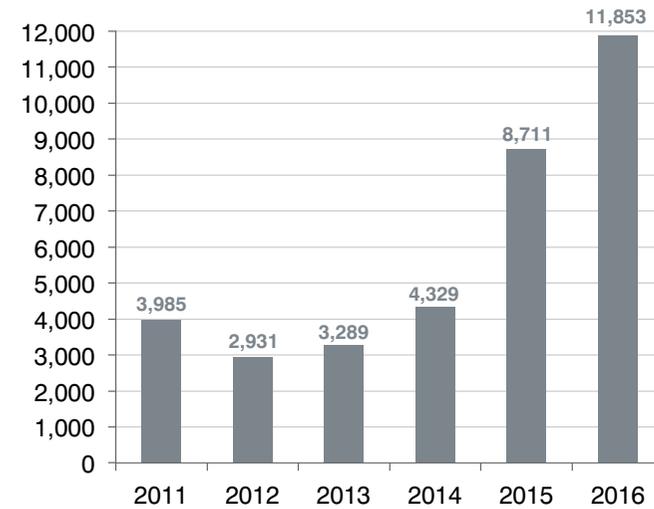
we use “available boat days\*\*” as a normalisation factor. This allows us – and our stakeholders – to compare performance against previous years in a manner that compensates for any changes in size to our fleet. We thus use “unutilised available boat days” as the normalisation factor for our Scope 1 data, and “utilised available boat days\*\*” as the normalisation factor for our Scope 3 data.

Utilised Available Boat Days



This table shows a further reduction in days that vessels were on hire after 2013/14 as the global oil price began to plunge and clients’ oil and gas exploration and production projects were savagely curtailed. In 2016, it dropped by further 14%.

Un-utilised Available Boat Days



This table shows 36% increase in days that vessels were off hire in 2016 compared to 2015 and by 174% compared to 2014 level illustrating the deterioration of the offshore market conditions and oversupply of vessels against cuts of oil and gas exploration and production projects.

\* “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.

\*\* “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 the 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.

Energy use (Scopes 1, 2 and 3) cont.

SPO's most significant energy use is from the Marine Grade Oil (MGO) used by SPO's fleet.

Our fleet grew rapidly to 92 vessels in 2015 and then dropped to 82 vessels in 2016 in response to the deteriorating market conditions and diminishing demand for vessels. This fluctuation in fleet size resulted in decrease in fuel consumption (see table below) however the decreased utilisation of the fleet resulted only in 11% decrease in Scope 1 consumption from 2016. Thus, while the size of the fleet in 2016 is similar to 2013, the falling utilisation coupled with newer and larger vessels to handle more challenging oil extraction sites in deeper water, resulted in 72% increase in our Scope 1 emissions.

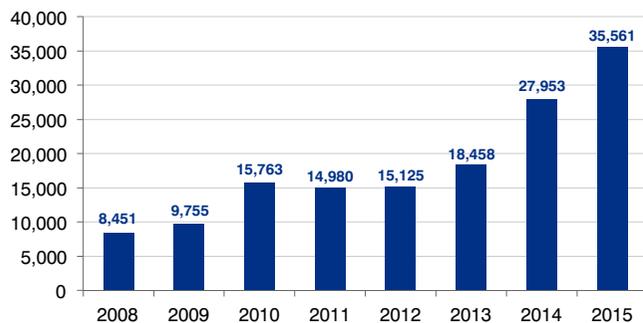
Fuel consumption has decreased per 'unutilised available boat day' (from 4.08m<sup>3</sup>/day in 2015 to 2.68m<sup>3</sup>/day in 2016) – this was due to reducing the size of the fleet and putting unutilised vessels into "cold stack"<sup>\*\*\*</sup> (7 vessels as at the end of December 2016) and "warm stack"<sup>\*\*\*\*</sup> (3 vessels as at the end of December 2016) in order to reduce costs.

**\*\* Cold Stack:** an OSV has been shut down and stored in a harbour, shipyard, or designated offshore area. Cold stacking is a cost reduction step taken when an OSV's contracting prospects look bleak or available contract terms do not justify an adequate return on the investment needed to make the unit work ready. Cost savings primarily come from crew reductions to skeletal levels. Steps taken to protect the OSV's facilities would usually include applying protective coatings, filling engines with protective fluids, and installing dehumidifiers. Cold-stacked OSVs may be out of service for extended periods of time and may not be actively marketed.

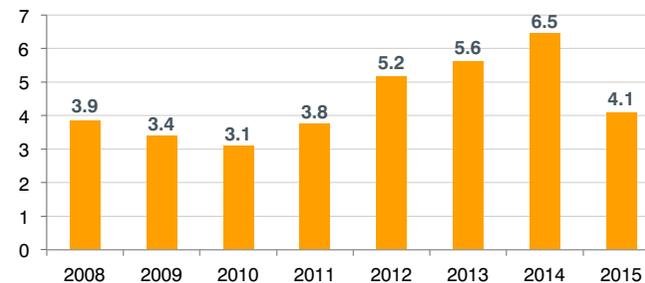
**\*\*\* Warm Stack:** an OSV is deployable (warm) but idle (stacked). Warm stacked OSVs typically have a minimum legally required crew on board, but are still actively marketed, and standing by ready for work if a contract can be obtained. Routine maintenance is continued, and daily costs may be modestly reduced but are typically similar to levels incurred in operating mode. Therefore, OSVs are generally held in a ready stacked state if a contract is expected to be obtained relatively quickly.

The MGO consumption per unutilised boat days per brake horsepower has also decreased in 2016.

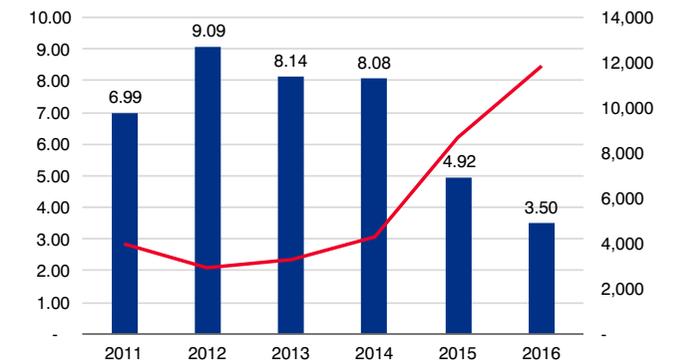
Scope 1 MGO consumption of the entire SPO fleet (m<sup>3</sup>)



Scope 1 MGO consumption / Unutilised available boat day



Scope 1 MGO / Unutilised Boat Day/BHP (m<sup>3</sup>)



**Scope 3 Fuel**

The largest use of fuel associated with SPO's business is MGO used by our ships when ON-hire to customers (though this forms part of our clients' Scope 1 footprint). Scope 3 fuel use is an order of magnitude higher than SPO's Scope 1 fuel use.

Scope 3 MGO consumption has dropped over the period of this report from 174,257m<sup>3</sup> in 2015 to 150,650m<sup>3</sup> in 2016, a decrease of 13.5%. This is due to continued steep reduction in utilisation/operational activity.

Scope 3 fuel consumption per 'utilised available boat day' has been decreasing from 7.80m<sup>3</sup>/day in 2014 to 7.24m<sup>3</sup>/day and

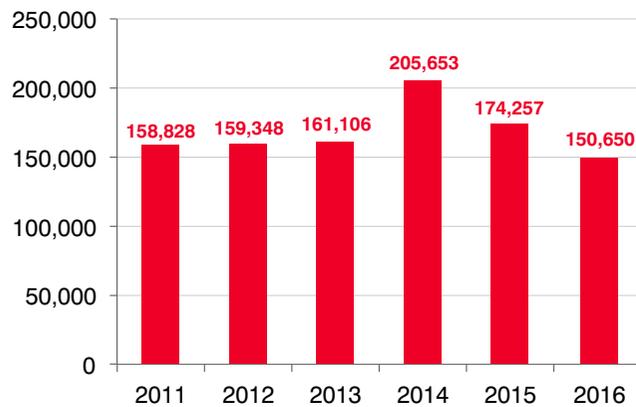
7.27m<sup>3</sup>/day in 2015 and 2016 respectively. This is an immaterial change y-o-y. A review of the consumption/utilised boat day/bhp data shows a 9% increase in fuel consumption per utilised boat day per brake horsepower from 2015 to 2016. This is due to the introduction of larger and more powerful vessels in replacement of our lower horse power vessels. However, whilst the newer vessels are undoubtedly more fuel efficient with each new class we introduce, they still consume more fuel in absolute terms.

The design of every new class of vessel involves the use of the latest technology and emission control equipment. SPO has adopted a "Green Zone" Fuel Efficiency Management System ("FEMS") on some of the vessels which provides real-time information on fuel consumption (and advice on how to optimise it).

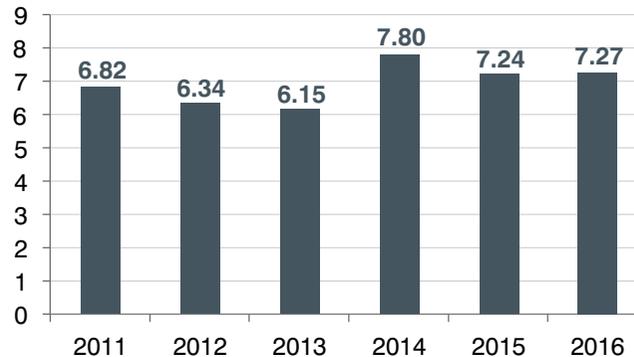
Nevertheless, we recognise that, given the historic UNFCCC Paris Agreement at the CoP21 meeting, we cannot increase our GHG emissions baseline indefinitely. We are therefore:

- Actively investigating the use of 2nd generation biofuels, such as those produced from waste products by our sister company Argent Energy in Scotland;
- Assess feasibility of other low/zero carbon fuels in green marine projects in 2017/18;
- Engage with our customers to reduce their fuel use (and costs).

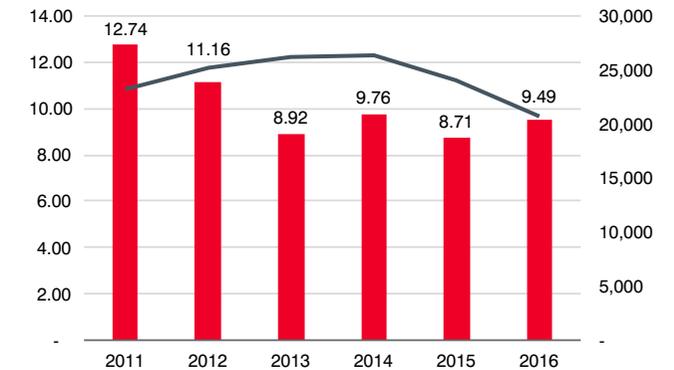
**Scope 3 MGO consumption of the entire SPO fleet (m<sup>3</sup>)**



**Scope 3 MGO consumption / Unutilised available boat day**



**Scope 3 MGO / Unutilised Boat Day/BHP (m<sup>3</sup>)**

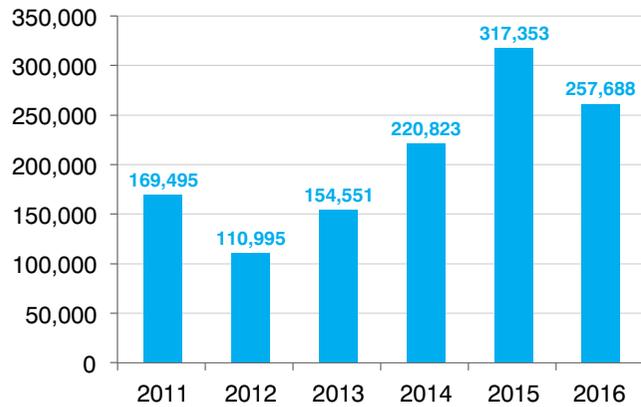


**Lube Oil Consumption**

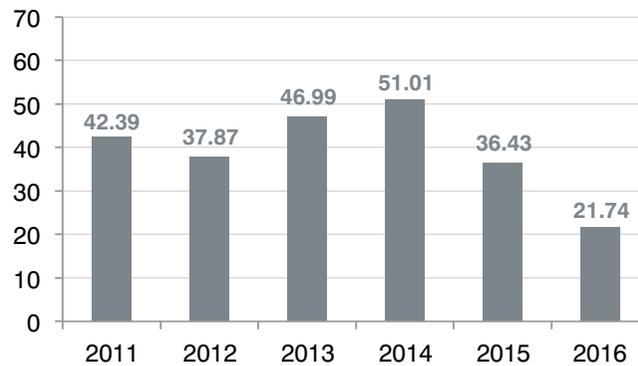
We have evaluated the consumption of all grades of lubricating and hydraulic oils used on board and determined that around 80% of the total quantity consumed is combusted in main engines or generators, and the by-products (GHG, SO<sub>x</sub>, NO<sub>x</sub>, PM etc.) emitted to the atmosphere. We thus report this figure of 80% total of all grades used on board, by volume, in all our gaseous/GHG emissions' reports. The balance of 20% is hydraulic oils or greases that are disposed of (in the appropriate manner) after use as solid or liquid waste, and thus not converted to GHG.

SPO's overall (direct) total lube oil consumption decreased from 317,353 litres in 2015 to 257,688 litres in 2016, a decrease of 19%. This is consistent with reduced Scope 1 MGO consumption of 11% per fleet and due to reduced fleet numbers and cold and warm stacking vessels in order to reduce costs. Scope 1 lube oil consumption per 'unutilised available boat day' has also decreased over the reporting period: from 36.43 litres/day to 21.74 litres/day (40% decrease). This is a function of lower activity for our vessels when they are off hire (it includes warm and cold stack).

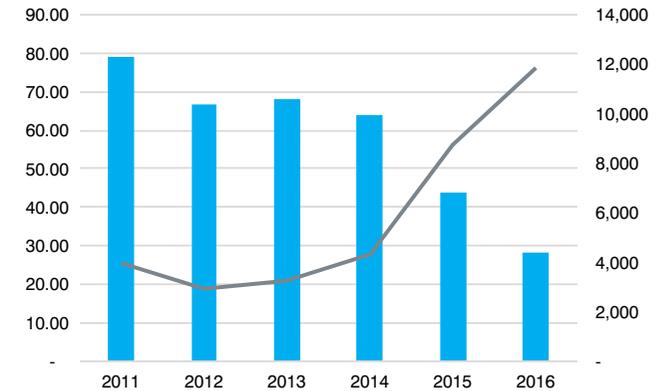
Scope 1 Lube Oil Consumption



Scope 1 LO / Unutilised available boat days

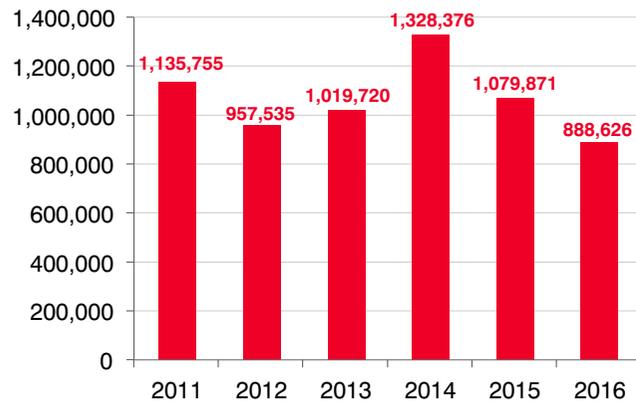


Scope 1 LO / Unutilised Boat Day/BHP (m<sup>3</sup>)

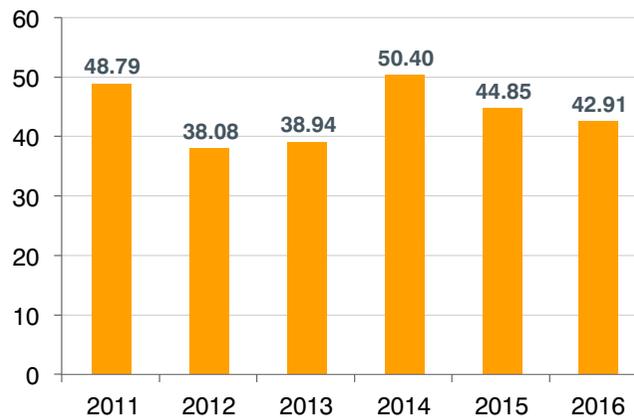


SPO's overall (indirect) Scope 3 total lube oil consumption and Scope 3 lube oil consumption per 'utilised available boat day' have also reduced (by 18% and 4% respectively) over the reporting period. This is due to continued steep reduction in utilisation / operational activity.

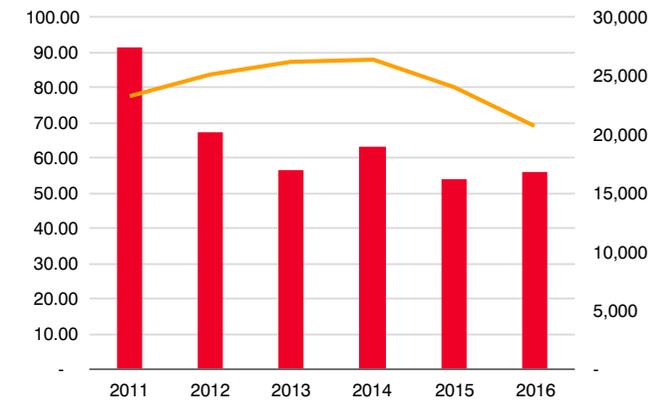
Scope 3 Lube Oil Consumption



Scope 3 LO / Unutilised available boat days



Scope 3 LO / Unutilised Boat Day/BHP (m<sup>3</sup>)



**Petrol and Diesel**

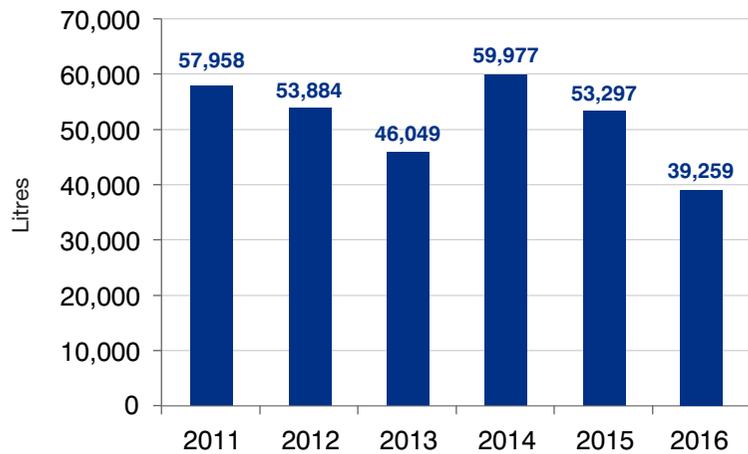
Petrol consumption (from use of company vehicles) has been reducing over the last two year period, with petrol consumption going down by 26% from 2015. Diesel consumption has gone down by 5%.

With effect from 2014, we started to include diesel used in outboard engines on the rescue boats in the fleet, and the number of vehicles in West Africa increased, so the latter figures are not directly comparable with the earlier time series.

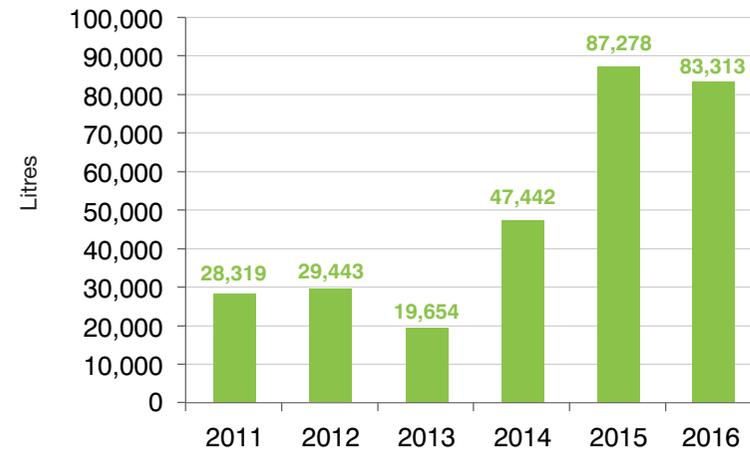
It should also be noted that Petrol and Diesel consumption leads to 0.32% of SPO's total Scope 1 and 2 GHG emissions, and so is not material to SPO's total GHG footprint.



**Petrol consumption**



**Diesel consumption**



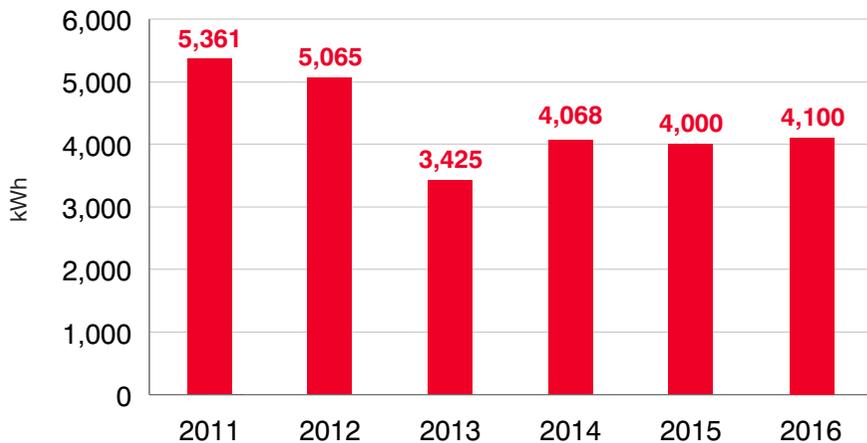
**Electricity Use**

Electricity usage from the national grids across all SPO offices globally has increased from 1,534,119 kWh in 2014 to 1,783,910 and 1,754,682 kWh in 2015 and 2016. This is attributed partially to more training courses using the simulators at SMTC which are a major source of energy consumption at SMTC. In 2016 there was a small decrease in electricity usage due to the sale of

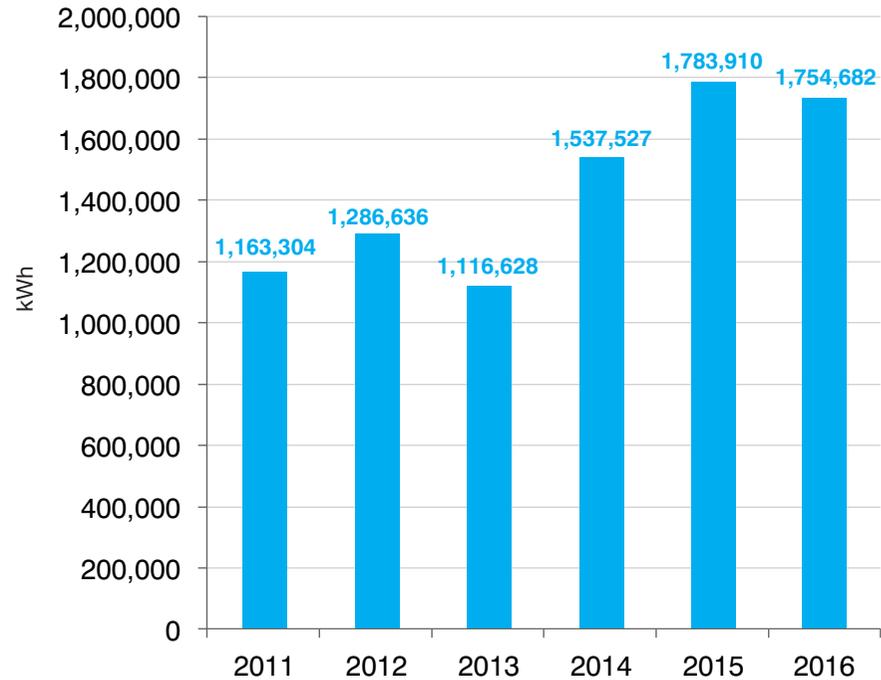
Altus Logistics in October 2016, and the feed in of solar produced/renewable energy from the Altus Warehouse roof for the year immediately prior to the sale.

However, electricity usage per onshore staff has been generally stable, with no material y-o-y changes since 2013 as our y-o-y change in global office space has changed little and its usage has become more efficient.

**Electricity usage per shore-based staff**



**Electricity Use**



Electricity usage per shore-based staff has been generally stable, with no material y-o-y changes since 2013 as our y-o-y change in global office space has changed little and its usage has become more efficient.

**Greenhouse Gas Emissions**

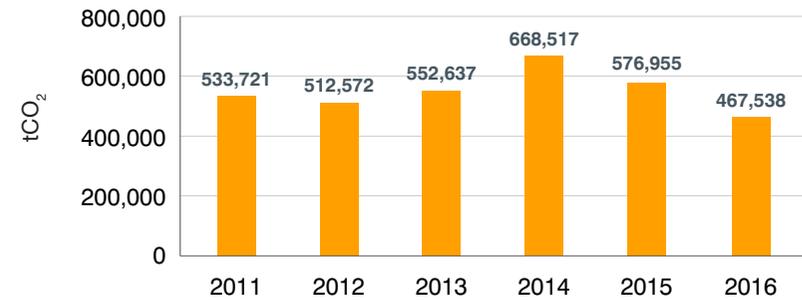
SPO's total Scope 1 and 2 emissions have gone down from 2015 by 15% (from 110,252 tonnes CO<sub>2</sub>e in 2015 to 93,797 tonnes CO<sub>2</sub>e in 2016). This is consistent with the above reported trends, primarily linked to the continued fall in vessel utilisation.

As expected our Scope 3 emissions are an order of magnitude higher than our Scope 1

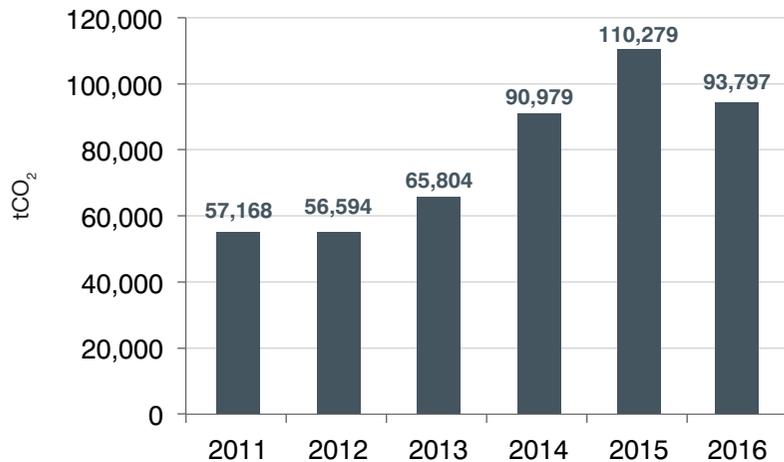
and 2 emissions. However, in line with the reduction in fleet size from 92 to 82 vessels and continued reduction in utilisation rates (from 73% to 64%), our Scope 3 emissions have commensurately fallen by 18% (from 576,955 tonnes CO<sub>2</sub>e in 2015 to 467,538 tonnes CO<sub>2</sub>e in 2016).

The breakdown of our GHG emissions for 2016 is represented below with the fuel use remaining, by far, the biggest contributor to SPO's carbon footprint.

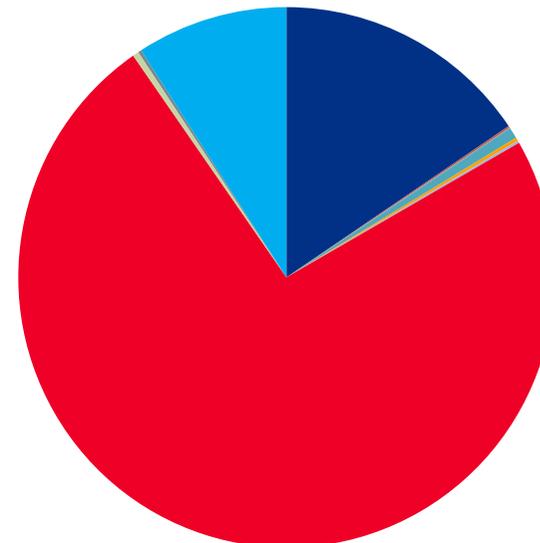
**Scope 3 GHG Emissions**



**Scope 1 and 2 GHG emissions**



**Breakdown of 2016 GHG emissions**



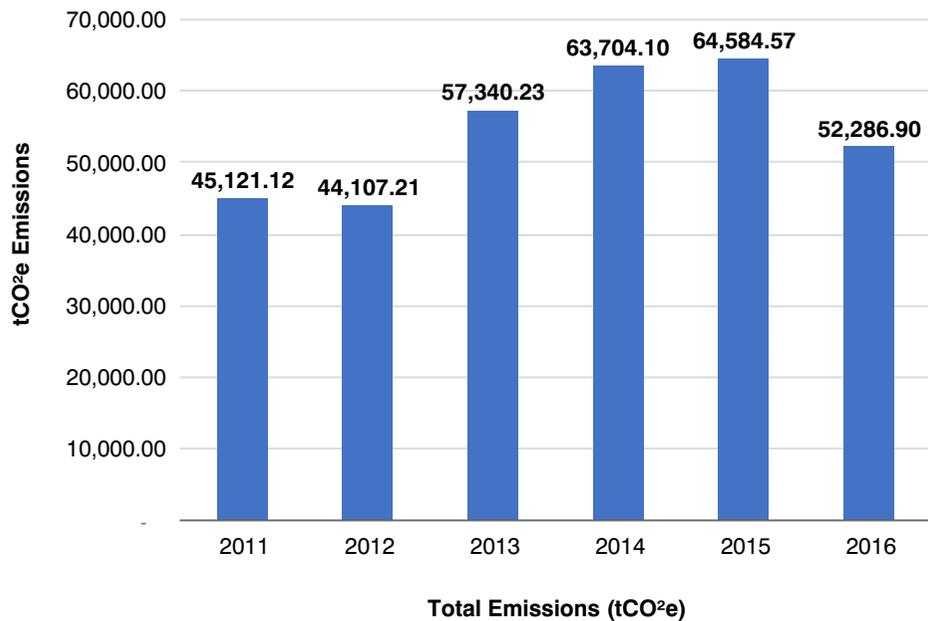
Scope 1	
MGO	15.547%
LO	0.108%
Petrol usage	0.015%
Diesel	0.039%
HCFCs R22	0.652%
HCFCs R417a	0.206%
Scope 2	
Electricity	0.139%
Scope 3	
MGO	73.609%
LO	0.372%
Shore Staff Air Travel	0.183%
Sea Staff Air Travel	9.130%

**Emissions from staff travel**

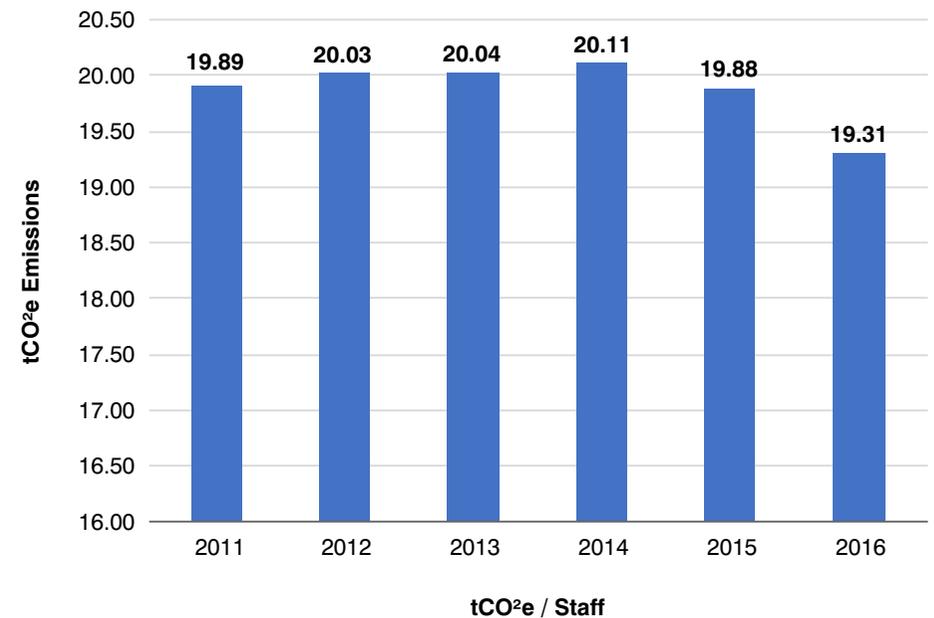
Emissions from flights have been reducing in line with the reduction in our sea personnel and are presented in tables below. Travelling on business in general has been reduced where this will not affect the service to our current and potential future clients. GHG emissions from travel per staff member have been reduced by ~5% due to this reduction where possible.

Emissions from flights have been reducing in line with the reduction in our sea personnel.

**Total Air Travel Emissions (tCO<sub>2</sub>e)**



**Air Travel Emissions (tCO<sub>2</sub>e) per staff member**



Greenhouse Gas Emissions *cont.*

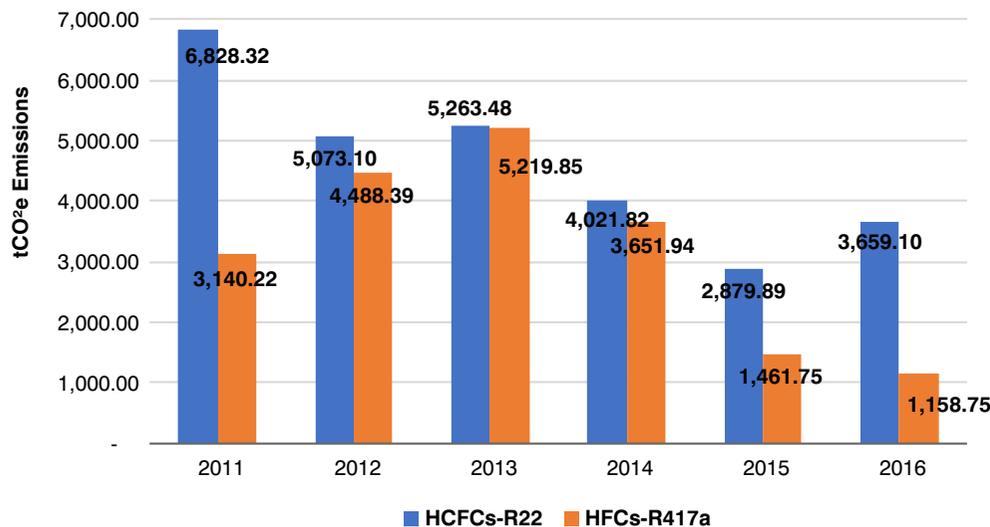
**HCFC/HFC emissions**

The HCFC/HFC emissions are being tracked and the use of HCFCs-R417a dropped by 21% during the reporting period whilst R22 has been increasing. All our new vessels (D, G and L class OSVs) use R407c, however, figures are not available for the reporting period. The Kigali Amendment to the Montreal Protocol was agreed on 15 October 2016, and assuming it is ratified by enough nations (20) will enter force on 1 January 2019. It addresses the shift from high ODP freons (HCFCs and CVFCs) to low/zero ODP freons (HFCs) mandated under

the Montreal Convention, but which had the unintended – even unrealised at the time of agreeing the Montreal Protocol – consequence of simultaneously moving from low GWP freons to ones with higher GWP. This will be addressed by SPO in 2017 and reported thereafter.

We measure and monitor Nitrogen Oxide (NO<sub>x</sub>), Sulphur Oxides (SO<sub>x</sub>), Particular Matter (PM) and Volatile Organic Compounds (VOC). Their emissions are proportionate to our use of fuel and the reason for fluctuations is the same as for Scope 1 and Scope 3 fuel consumption.

**Total HCFC/HFC Emissions (tCO<sub>2</sub>e)**



**NO<sub>x</sub> SO<sub>x</sub> PM and VOC emissions**

TOTAL SCOPE 1	2013	2014	2015	2016
NO <sub>x</sub>	944,291	1,429,502	1,820,094	1,627,475
SO <sub>x</sub>	372,251	563,480	717,573	641,539
PM	26,019	39,388	50,151	44,843
VOC	209,636	317,354	404,067	361,305

TOTAL SCOPE 2	2013	2014	2015	2016
NO <sub>x</sub>	8,228,912	10,505,421	8,899,670	7,692,143
SO <sub>x</sub>	3,766,091	4,807,971	4,073,074	3,520,430
PM	225,968	288,482	244,387	211,228
VOC	1,826,544	2,331,853	1,975,430	1,707,399

The HCFC/HFC emissions are being tracked and the use of HCFCs-R417a dropped by 21% during the reporting period whilst R22 has been increasing.

**Water Use / Effluents and Waste / Fines and Grievances****Water Use – not material**

As a service industry we have an immaterial usage of water compared to other companies with industrial processes. In fact we make potable water on our ships from seawater using waste heat from internal combustion engines and/or reverse osmosis machines.

**Effluents and Waste**

There were no material spills (defined as being > 40bbbl) 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 International Convention for the Prevention of Pollution from Ships.

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

**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 environment, health and safety, anti-trust, bribery and corruption, data protection or employment law. Our ships are occasionally subject to port state inspections in some places that we feel are over-zealous in their interpretation of international standards. Any such findings are discussed openly and transparently with our Flag State Regulatory body/ies and resolved pragmatically, generally by their dismissal.

SPO has a "whistle-blowing" procedure in place for shore-based and sea staff to report any issues that they feel may negatively affect health, safety or environment, or relate to any regulatory areas mentioned above. This can be an entirely confidential process should the reporter so wish – at his/her entire discretion, and should the reporter not wish to receive directed follow-up. No material issues were reported through this process during the reporting period.



**SPO has not been subject to any fines or sanctions for contravention of any laws or regulations globally, including those relating to environment, health and safety, anti-trust, bribery and corruption, data protection or employment law.**

### Sustainable Ship Recycling

In 2012, SPO voluntarily adopted a policy when it commenced its fleet renewal programme 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 15 May 2009 (even prior to its full ratification); and that, are certified by a reputable independent third party to ISO 9001:2015, ISO 14001:2015, OHSAS 18001:1999 and preferably, ISO 30000:2009.

This policy ensures that SPO recycles its assets in the most sustainable, safe, and environmentally sound and responsible manner. In 2016 we safely and sustainably recycled our

35 year old FPV *MV Pacific Marlin* at the Priya Blue Ship Recycling Facility (SRF) in Alang (India), one of the four ClassNK HKC-compliant SRFs in India at that time. The Priya Blue SRF developed their Ship Recycling Facility Management Plan and upgraded their facilities so that they can fully meet the requirements of the HKC.

SPO employed an on-site monitoring team to work alongside Priya Blue personnel, and used an external independent third party surveyor to conduct an audit during recycling, to ensure that all work was carried out in full compliance with the class approved Ship Recycling Plan. This was done at an additional cost to SPO; however this meant that we were assured that work was performed safely and environmentally responsibly whilst building capacity of the yard's personnel.

SPO employed an on-site monitoring team to work alongside Priya Blue personnel, and used an external independent third party surveyor to conduct an audit during recycling, to ensure that all work was carried out in full compliance with the class approved Ship Recycling Plan.



Above and left:  
Our 35 year old FPV *MV Pacific Marlin* being recycled at the Priya Blue Ship Recycling Facility in Alang, India.

**Eco-Office and Green Guidelines**

To help reduce the Company's carbon footprint and follow best environmental practices, SPO strongly encourages employees to follow the Swire Pacific Green Guidelines and are guided by Green Office and Eco-Office practices. These look at applications of the Singapore Environment Council\* "Eco-Office" principles such as Reduce-Reuse-Recycle approach, reduced electricity usage, use of FSC certified paper, double-sided printing, more efficient use of the aircon/heating etc.

SPO has held the Singapore Environmental Council Eco-Office Certification since 2010 (re-certification was subject to a biennial - now triennial - external re-audit) and the company's employees have fully embraced Eco-Office

practices together with the approach to environmental sustainability. In 2016 we were awarded certification for 2016-2019 scoring 99% for our environmental practices.

We continue to educate and engage our employees in environmental activities ranging from corporate volunteering for conservation and environmental causes (see 'Our Communities' section of the report for more information), partnering with NGOs/NPOs and organising Lunch and Learn seminars in Singapore office.

To view the Swire Green Guidelines, please visit: <http://bit.ly/2aVxuP1>

**Climate-related risks and opportunities**

**Paris Agreement**

The Paris Agreement's key article states: The aim of the convention is described in Article 2, "enhancing the implementation" of the UNFCCC through:

(a) Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognising that this would significantly reduce the risks and impacts of climate change;

(b) Increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions

development, in a manner that does not threaten food production;

(c) Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

SPO is fully aware and understands concerns of governments and the public about climate change risks and recognises that the use of fossil fuels to meet the world's energy needs contributes to the rising concentration of greenhouse gases in the atmosphere. GHGs contribute to increases in global temperatures.

It is believed that under a business-as-usual scenario and if other sectors of the economy reduce emissions to keep global temperature increases below 2°C, maritime sector could represent 10% of global GHG emissions by 2050.

To help reduce the Company's carbon footprint and follow best environmental practices, SPO strongly encourages employees to follow the Swire Pacific Green Guidelines and are guided by Swire group Green Office and Singapore Environment Council Eco-Office practices.

\*Note: SPO's GM for SD is on the board of the Singapore Environment Council. This potential conflict was fully disclosed during the Eco-Office audit and certification process.



**Demand for Services**

According to the International Energy Agency (IEA) World Energy Outlook 2016, oil and natural gas will remain a major part of energy supply for the foreseeable future. The accessibility and reliability of energy offered by oil and natural gas are important contributors to improving standards of living worldwide and growing economic prosperity. Trillions of dollars will need to be spent to keep the world supplied with energy in the decades ahead. According to the IEA, the majority of the investment will be spent on fossil fuels\*.

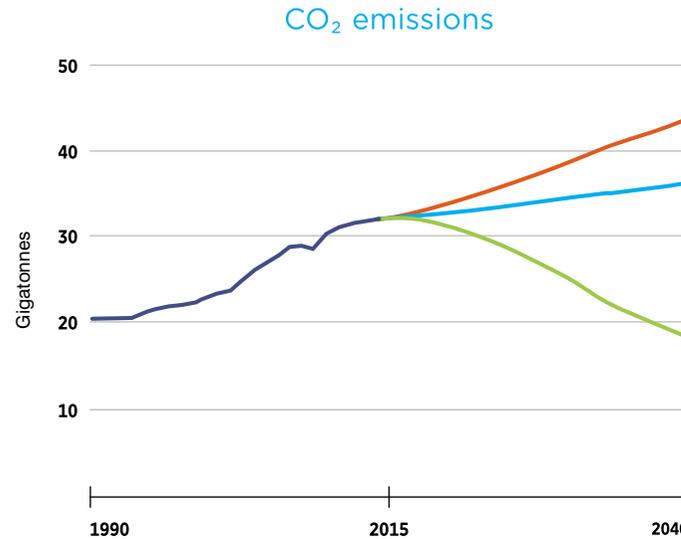
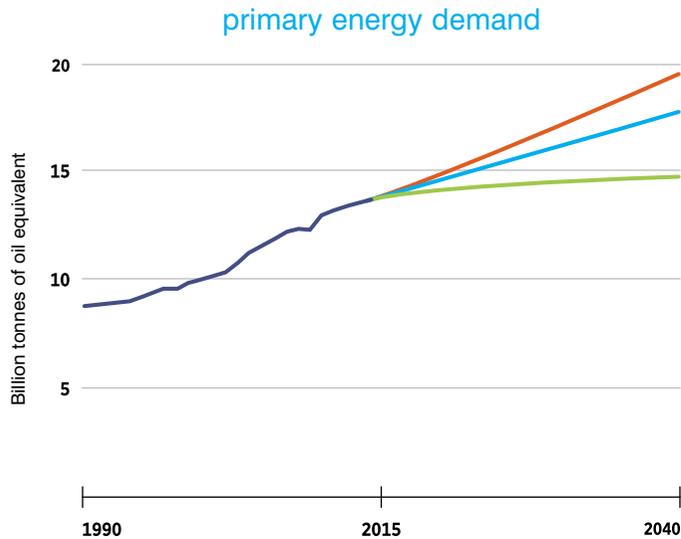
The IEA predicts in its latest World Energy Outlook that 60 percent of the \$44 trillion in investment in energy supply through 2040 will be in fossil fuels, slightly less than the 70 percent of total energy investment spent on fossil fuels over the past 15 years.

In the World Energy Outlook 2016, IEA looked at various scenarios for global energy demand and even under an aggressive climate policy scenario such as the IEA's 450 Scenario\*\*, oil and natural gas will meet 44 percent of global energy demand by 2040.

\*\* IEA's 450 Scenario, which is premised on the assumption that a hypothetical combination of policy-driven improvements in energy efficiency and carbon taxes is enacted to limit atmospheric CO<sub>2</sub> concentrations to 450 ppm. Implementing the 450 Scenario would be a tremendous challenge, requiring increasing investments in energy production and distribution infrastructure, changes in consumer behaviour and lifestyles, and the imposition of a variety of policies. The IEA acknowledges this, noting that the 450 Scenario is not a prediction or forecast, but rather an illustration of a possible path that society could pursue to achieve its climate change goals.

\*Source: IEA, World Energy Outlook 2016: <http://bit.ly/29VEmeM>

Graphs taken from page 7 of the Chevron report on the below link: <http://bit.ly/2t7aldK>



— Current Policies Scenario  
— New Policies Scenario  
— 450 Scenario

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## Climate Change and Impact on SPO's Business

### Climate change and impact on SPO's business

SPO's introduced a number of policies (e.g. Environmental and Sustainable Development Policy) which provide the framework for reducing SPO's environmental impact and impact on biodiversity under our influence. Most of the related information is covered earlier in this report and covers using a low-sulphur MGO to fuel our vessels, improving vessel design leading to lower emissions from fleet and voluntarily offsetting our Scope 1 and 2 carbon emissions with effect from 1 January 2011.

We acknowledge that while ship 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 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.

Climate change is affecting practically all aspects of human life, and this includes our maritime industry. Impacts are already noted in ports and shipping channels due to rising sea levels and changed erosion and sedimentation patterns. As above, another impact of climate change that we are likely to be exposed to are the extreme weather events. This has the potential to affect our operations both offshore and in ports and operations of our clients as extreme weather might also impact their offshore infrastructure and operations. While weather patterns are unpredictable, we have a diverse fleet of powerful vessels and well-trained personnel to support the industry during climate/weather changing conditions safely.

SPO is actively looking to improve the sustainability of its business by radically decarbonising our business. We are currently developing projects that look at improving operational efficiencies of our vessels, minimising the environmental impact and using solar panels to reduce shore-based electricity consumption. All these projects are either on the way or at concept stage with implementation planned from 2017-2018 onwards. We are also actively investigating the feasibility of other low/zero carbon fuels in green marine projects.



We are currently developing projects that look at improving operational efficiencies of our vessels, minimising the environmental impact and using solar panels to reduce shore-based electricity consumption.

**Climate Related Risk Management**

SPO continues to work closely with Swire Pacific's Sustainable Development Office and the Group Risk Management Committee in HK to ensure a comprehensive and rigorous approach to managing our risks and opportunities.

Additionally, the SPO GM for Sustainable Development sits on the SPO Executive Committee and can advise on any issues connected with governance mechanisms and potential SD risks including environmental/ carbon related regulations, threats and opportunities in current or proposed projects.

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

**Risk Management** – there is an established mechanism for early identification and addressing climate related risks within the overall SPO Group risk management process.

**Carbon pricing** – SPO has been ahead of its peers by making the decision to voluntarily invest in a 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. We plan to continue our carbon offset strategy while we are working on the long-term decarbonisation solution.

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

**Alternative fuels** – SPO is actively investigating opportunities to radically decarbonise its operations through the determination and proof of the feasibility of a low/zero carbon alternative to fossil fuel.

**Future regulations** – monitoring future market traits and regulatory conditions and “future-proofing” our business.



We believe that SPO's current risk management and business planning processes are sufficient to mitigate the risks associated with climate change. We will continue to monitor and adjust our business policies and strategy accordingly as climate policy developments unfold. We remain positive that with the global demand for oil and gas, SPO is well positioned to meet this demand supporting the offshore oil and gas industry as well as the demand for renewable and seabed exploration projects.

With our present knowledge and understanding, and actions that we are undertaking, we believe SPO's current climate related risk exposure, even in a restricted GHG scenario is minimal.

However we are awaiting the final report from the Task Force on Climate-related Financial Disclosures (TCFD)\* which will develop

voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders. The Task Force will consider the physical, liability and transition risks associated with climate change and what constitutes effective financial disclosures across industries. The work and recommendations of the Task Force will help firms understand what financial markets want from disclosure in order to measure and respond to climate change risks, and encourage firms to align their disclosures with investors' needs.

The final report is expected in mid-2017, and SPO will seek to evaluate the disclosure required by the recommendations and produce this later next year.

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

SPO continues to work closely with Swire Pacific's Sustainable Development Office and the Group Risk Management Committee in HK to ensure a comprehensive and rigorous approach to managing our risks and opportunities.

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## Our Communities

SPO actively supports local communities in countries where it has 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 Education, Community, Health, Youth, Environment and Biodiversity.

### Investment in Education

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 it impacts. The Company invests strongly in education and talent development through the provision of scholarships and runs a number of long term Corporate Philanthropic (CP) projects by partnering with key stakeholder communities around the world.

38% percent of our seafarers are Filipinos, making our communities in the Philippines one of our key stakeholder groups. Since 2009, SPO has been supporting The Propeller Club of

Manila (PCM), a non-profit organisation offering fully-funded residential scholarships to youths from underprivileged families in the Philippines and providing skills training for employment in the maritime industry.

Through this programme, 12 underprivileged youths (per intake) obtain scholarships from SPO to receive technical and vocational training at the Don Bosco technical institute in Manila over an 18-month period to help them become fitter/mechanics or cooks. Upon successful completion the scholars are offered employment where possible with SPO based on their level of competency or return with new skills that can be used to add value to their communities. SPO has sponsored seven batches since the start of the programme.

### PROPELLER CLUB OF MANILA (PCM) CULINARY PROGRAMME GRADUATION CEREMONY

Prior to attending the culinary programme, 27-year-old Dexter Bonifacio worked as an assistant in an alternative learning culinary school, earning a salary of 200 pesos (approximately USD\$4) a day. Through the PCM website, Dexter learned about the scholarship programme and applied for it. For him, the hardest part of the programme was being away from his mother, who was ill at the time, and his three brothers. Most importantly, he persevered and made his family exceptionally proud by clinching the “Top Notcher Award” as the most outstanding student of the batch, bringing home a medal and a cash prize of 10,000 pesos (approximately USD210).

Reflecting on his experiences at PCM, “I have matured and learned a lot during the entire culinary training programme. I’ve made many close friends here. The school has taught me many new skills, good manners and allowed me to cook.” When quizzed about what his long term plans were, the young man said, “I hope to help my mother by earning more money, so that we can send my brothers to school. The Propeller Club and the sponsors have helped me and it is my turn to help others now. I want to have my own house and start a family in the future.”

Dexter Bonifacio, Winner of the “Top Notcher Award”



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 it impacts.



Another example of SPO's investment in education is the SPO-Regional Maritime University (RMU) partnership in Ghana, in which SPO provides scholarships, internships, exchange and employment opportunities.

Another example of SPO's investment in education is the SPO-Regional Maritime University (RMU) partnership in Ghana, in which SPO provides scholarships, internships, exchange and employment opportunities to up to four deserving students each year (two deck cadets and two engineering cadets) from RMU's five founder nations of Cameroon, Cote d'Ivoire, Ghana, Nigeria and Sierra Leone. This means we have a continuing core of up to 12 cadets, four of whom are offered/join us as Junior Officers upon graduation.

In Asia, SPO supports students from the three senior universities in Singapore with bursaries and scholarships as a way to invest in and develop our, and Singapore's, future talent. One of those examples is SPO's sponsorship of the maritime students under the MaritimeONE scheme administered by the Singapore Maritime Foundation (SMF).

Twelve have joined SPO Head office in Singapore to date, and we rotate them through various departments in Head Office and other global offices on a series of structured programmes that help to prepare them to become our future leaders. This multi-year structured job rotation programme provides the new graduates with opportunities to work and become proficient in different sectors of our business.

The programme aims to accelerate the professional development of young graduates, imparting them with business and industry knowledge, while deepening their cross-cultural learning – all valuable experience for their future as SPO/Swire leaders. As part of this programme, the trainees are mentored by SWIRE senior leaders and offered opportunities to work on projects overseas (offices and vessels) as well as postings to SPO's offices to gain international business and cultural exposure.

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

SPO is a founding sponsor of Singapore Management University's (SMU) Maritime Economics Concentration (MEC) – now Maritime Economics Track (MET) – three year programme, jointly developed by the Maritime and Port Authority of Singapore and SMU.

In 2016 SPO was asked to, and agreed, extend the funding for the programme for a further three-year period. SPO regards its support for this programme to be a strong and visible investment in the future of Singapore, helping Singapore to become the leading international maritime centre in this region.

SPO is currently sponsoring three children of SPO employees to attend universities in Australia, Malaysia and UK to gain first degrees. Applications for scholarships are currently on hold due to reduced philanthropic spending and will be reinvigorated when the market conditions improve.

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



## SPO SCHOLAR'S UNIVERSITY EXPERIENCE

(By Sammy Tago)

In early 2015 I was fortunate to be granted a university scholarship by SPO, for which I'll be forever grateful. This scholarship made it possible for me to be accepted by a good university, Swansea University in Wales, UK. I enrolled in the Business Management course (Finance) because this course will help give me a way to reach my professional and life aspirations.

In the first year, we covered all the basics of business studies which paved the way for a strong foundation and helped the selection of subjects for my second year. In university, it was initially hard to get to know my peers but with perseverance, I met some good and helpful friends with whom I will be studying. During the first semester, I encountered some minor challenges with a group coursework because my group mates were underperforming, thus teaching me the value of good team management. The study modules are interesting and well taught.



Investment in Environment and Biodiversity

Investment in Environment and Biodiversity

In addition to investing heavily in education, SPO also partakes in other corporate philanthropic projects and partners with various not-for-profit organisations to make a difference and deliver results that benefit both the environment and the local community.

SPO partners with the Endangered Species International (ESI) in South Mindanao, The Philippines, to protect IUCN critically endangered Philippine Forest Turtles on Mt Matte, and assist with a programme on mangrove and coastal reef conservation, management and rehabilitation activities

in the Sarangani Bay area, some 80km downstream of the turtle habitat. SPO strives to work with the local communities on ways to enhance the habitats of forest turtles and protect the environment, and sponsors our Filipino seafarers to serve as volunteers for the rehabilitation of forests and mangroves.

This programme was set up in 2013 after a request from a member of our seafarer community to help save the turtles of the Philippines and has developed into a long-term partnership since then. Two trips to Mt Matutum took place in 2016 and three more (to Mt Matutum and Sarangani Bay) are planned for 2017.



DOING OUR PART FOR MOTHER NATURE

(By Captain Sandy James S. Garay)

I had never thought that I would return to Mt. Matutum so many years later, as a skipper and a team leader with four other volunteers to embark on a meaningful five-day mission to save the turtles and plant trees as part of the Mt. Matutum Conservation Programme organised by the Company in partnership with Endangered Species International (ESI).

We undertook a number of activities ranging from tree-planting clearing and cleaning the nearby surroundings of previously planted Narra, Abaca and Guavano trees. We also visited the site to check on the seedlings and trees planted by the previous batches of volunteers and realised that only 20% of them had survived. This was largely due to the past dry El Niño season which lasted for more than six months. The heavy rain in the afternoon, lasting for more than an hour, affected the progress of our tree-planting efforts but we still managed to plant 300 seedlings. The good weather conditions on the fourth day allowed us to be even more productive and we planted a total of 420 seedlings.

On the last day, we continued to plant more trees, monitored the growth of the existing seedlings and replaced the damaged markers with new ones. That day, we interacted with the local people and shared the *Binignit* snacks which we brought. We also gave them some stationery supplies for the grad school and high school students.

I feel proud to be part of the advocacy team to do our part to preserve nature and save Mother Earth. On behalf of my team, we would like to extend our thanks to SPO and ESI for this great opportunity to do our part for Mother Earth.

In addition to investing heavily in education, SPO also partakes in other corporate philanthropic projects and partners with various not-for-profit organisations to make a difference and deliver results that benefit both the environment and the local community.

## ASSM Dependents, the Philippines / New Destiny Cameroon Projects

### ASSM Dependents Association (ASSMDA), the Philippines

ASSMDA was set up in 2007 as an independent, not-for-profit, organisation to support the dependents of ASSM seafarers and to work with the local communities on educational, social and civic projects. ASSMDA is headquartered in Manila and has two smaller branches in Cebu and Iloilo. SPO provides ongoing assistance to ASSMDA, through joint funding with our sister company The China Navigation Company, of their monthly operating costs. ASSMDA provides voluntary assistance to the seafarers' families in times of need and aims to improve their livelihoods through organising value-added social activities such as making candles, dishwashing liquids, fabric conditioners and bracelets.

Members of ASSMDA also held workshops to teach seafarers' wives how to make purses and bags using recycled materials like sweet wrappers, plastic and food wrappers. Some of their members have gone on to make and sell them in their hometowns and shops to generate some extra income.

In 2016 ASSMDA together with the Sailors' Society and Habitat for Humanity sponsored construction of the new health centres in Tacloban and Bantayan (see article on page 61). We expect these to be opened in mid-2017, and will report on this in the next report.

### New Destiny Cameroon Projects

SPO made a very generous donation to help build the new home for the New Destiny Orphanage in Douala, Cameroon where SPO has a regional office. The support started in 2014 with SPO WAF staff getting actively involved with the orphanage through many employee volunteering events. In 2016, after a number of administrative and legal hurdles, the construction of the building began. The new orphanage is expected to house more than 50 orphans and vulnerable street kids. The project is expected to reach completion in 2017.



### NEW DESTINY ORPHANAGE GROUND-BREAKING CEREMONY

It was an unusually bright and sunny day on 4 June 2016, as a cross section of children from the New Destiny Orphanage and members of the New Destiny Association, as well as invited guests made their way to Lendi Village in Douala to participate in the long awaited ground-breaking Ceremony which officially launched the orphanage's construction project. The event was graced by Cameroonian government officials and partners of the New Destiny Association under the notable Patronage of His Majesty Gustave Ebanda, Mayor of the Douala 5th District.

The New Destiny Orphanage celebrated its 10th anniversary in December 2015 and is about to see its long term dream come true with SPO's strong local support: construction of a new orphanage to house more than 50 orphans and vulnerable street kids. The old orphanage was in a dire position with the current premises not being suitable to accommodate its residents. It was also struggling to pay its rent. The orphanage reached out to SPO for support in 2014, with SPO WAF staff being actively involved through many employee volunteering events. SPO thus agreed in 2014 to invest in support for disadvantaged youths in the local community where its main WAF office had been for 13 years and pledged financial support for the construction of the new orphanage building amounting to approximately 75% of the project costs.

Other local donors, mainly from the oil and gas industry, including COTCO Cameroon will make up the balance. Construction of the building will commence shortly, with members of the specially formed New Destiny Association supervising and managing the project.

**SPO made a very generous donation to help build the new home for the New Destiny Orphanage in Douala, Cameroon where SPO has a regional office.**

Supporting our seafarer community worldwide

We are committed to supporting the projects of both The Mission to Seafarers (MtS) and The Sailors' Society through fundraising events and donations, providing care and support to seafarers around the world.

SPO employees raised funds for both organisations through corporate and individual fundraising events and the company donated funds for various initiatives over the last few years and this partnership is on-going.

**BREAKING GROUND FOR NEW HEALTH CENTRES IN THE PHILIPPINES**

The construction of the new health centres in Tacloban and Bantayan is part of a project jointly organised by Anscor Swire Ship Management Dependents Association (ASSMDA), Sailors' Society and Habitat for Humanity, Philippines and supported by Swire Pacific Offshore (SPO) and The China Navigation Company (CNC) after Typhoon Haiyan. Typhoon Haiyan, also known as Super Typhoon Yolanda in the Philippines, occurred in November 2013. It was the strongest typhoon ever recorded in the Philippines, taking away the lives of over six thousand people and causing many others to be homeless in the central Visayas region that includes the major Leyte city of Tacloban, and the island of Bantayan further to the west. Even after two years the devastating impact is still evident from the mangled metal roof structures in abandoned buildings.

Simon Bennett, General Manager for Sustainable Development, SPO, explained the Company's rationale for supporting the project, "Nearly 40% of SPO's seafarers are from the Philippines. Quite a few of our seafarers and their families were directly affected by the disaster and their homes were completely destroyed. This new medical centre for Palo near Tacloban is important as it physically cements our long term commitment to provide sustainable medical infrastructure to both our seafarers and the Filipino community at large."



## Employee Volunteering and Fundraising Matching Scheme

### Employee volunteering and fundraising matching scheme

SPO strongly supports helping worthy causes that deliver measurably positive outcomes (more than simply “outputs”) and benefits in our various stakeholder communities around the world. Sometimes our corporate support is requested or is made by means of donations of money but there are very many more causes that our employees wish to individually support that can benefit just as positively, simply by the volunteering of employees’ time, resources or skills.

In 2016 we invited our employees to learn about Comcrop, a social enterprise that runs Singapore’s first commercial farm on a 6,000 sq ft roof of the “SCAPE” building in the heart of Singapore’s main shopping district. By using vertical farming techniques and a self-sustaining aquaponics system, the farm can produce eight to 10 times more and uses only 10% of water compared to conventional soil farms over the same area.

We held two events in partnership with Comcrop educating our employees in hydroponic/aquaponic technics and urban farming. Participants learnt about food sustainability in Singapore and also how minimise the carbon footprint of food consumed on a daily basis by making more informed choices.

In 2016 we held two events in partnership with Comcrop educating our employees in hydroponic/aquaponic technics and urban farming.



Employee Volunteering and Fundraising Matching Scheme *cont.*

Over the past few years, we have developed a strong partnership with Dignity Kitchen, Singapore's first social enterprise that trains disadvantaged and disabled people in food preparation in a food court (hawker) setting. This partnership continues in the form of book donation drives, and ordering lunch "bento boxes" for various office events.

SPO also held a Christmas donation drive in partnership with non-profit organisations: 'Food from the Heart' and 'Keeping Hope Alive'. Our efforts resulted in more than 150 items being donated to the two beneficiary organisations including sacks of rice, food vouchers, a brand-new Monopoly game, toiletries, groceries, stationery items, canned food, toys, sauces and two portable fans.

**SPO SPEARHEADS PROJECT PAINTING SMILES TO BRING CHEER TO ELDERLY RESIDENTS**

The event, *Project Painting Smiles* was spearheaded by SPO in celebration of the Company's 41st anniversary and Singapore's National Day in partnership with grassroots organisation, Central Singapore CDC. To make the event more meaningful, SPO also reached out to Singapore Shipping Association (SSA)'s Young Executives Group (YEG) to join us in this endeavour. On 26 August, more than 40 SPO employees and members of the SSA joined hands to paint the murals at the Peace-Connect activity centre.

The haze did not deter the determination of the volunteers to be part of the project. Volunteers worked in unison to bring to life the three whimsical and colourful murals designed by Singaporean artist, Shaun Soh.

"'You bring cheer when you volunteer' couldn't have been a more apt phrase to describe the sentiments of the SSA YEG members working alongside SPO employees to paint such cheerful murals for the Peace-Connect community of Kampong Glam. We thank SPO for taking the lead in organising this community project and hope that this will be the start of more inspiring collaborations to come," said Marianne Choo, then General Manager, Singapore Shipping Association.



ASSM employees held two events of mangrove tree planting (in June and December 2016) with a total of 78 staff participating.

### ASSM MANGROVE TREE PLANTING IN SUBIC

The ASSM employees, comprising of 41 employees and six family members, have planted trees in previous undertakings, but everyone was surprised during their first-time planting mangroves and thoroughly enjoyed themselves. Upon arrival in Subic, a three-hour bus trip from Manila, Subic Bay Metropolitan Authority's (SBMA) Ecology Centre provided employees with an orientation covering laws that protect mangroves, types and processes in developing mangroves and other related matters - all of which were highly educational. Mangrove seedlings were provided free by the Ecology Centre.



## Singapore-based employees spent 1,032 hours in 2016 on various volunteering events.

### Employee Fundraising Matching Assistance

SPO has an "Employee Fundraising Matching Assistance" scheme (EFMA) in place which is accessible to all employees. The EFMA schemes have been put in place to enable the following:

- Promotion of community involvement and individual giving;
- Support of employees' engagement activities;
- Support of employees' privately-initiated fundraising drives, and;
- Support of employees preferred registered charities where possible.

To achieve these goals, the EFMA scheme considers matching an employee's fundraising efforts for a charity (properly registered as such in its country of activity/head office), on a dollar-for-dollar basis.

This scheme has been successfully utilised throughout the past two years by employees fundraising for the Halo Trust, Royal Navy and Royal Marines Charity and Sailors' Society.



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**100** Contact

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The ratings of the various components that make an organisation “Socially Responsible” are shown in Table (below). This shows that all 12 areas have been identified as “most important” (rated >90%) by all the stakeholders with whom we have discussed our SD initiatives, a sample size now of >700.

The areas considered most material are: sound health and safety practices, avoidance of pollution of the marine environment and implementation of best governance practices rated, all rated >95%.

	<i>Importance level of SD area</i>		<i>Importance level of SD area</i>
1		The Company has sound Health and Safety practices, and are making protection of the health and safety of staff, clients and their employees their main priority.	<b>97%</b>
2		The Company does not cause spills or otherwise pollute the marine environment.	<b>96%</b>
3		The Company is responsible and well governed. We operate with accountability, transparency, ethical behaviour and respect for the rule of law. We do not tolerate corrupt practices such as bribery within our own staff or our supply chain.	<b>96%</b>
4		The Company treats their employees well, providing good working environment and fair compensation & benefits.	<b>95%</b>
5		The Company encourages its staff, customers and supply chain to act in a socially responsible manner.	<b>95%</b>
6		The Company is among the leaders in the industry with respect to Environmental Performance.	<b>95%</b>
7		The Company is showing leadership in reducing carbon and other greenhouse gas emissions from its operations.	<b>94%</b>
8		The Company expects a high standard of sustainable and ethical performance throughout its supply chain. We have a clear Supply Chain Sustainability Code of Conduct and take action to ensure that everyone in our supply chain meets high standards of environmental, workers’ rights, and health & safety performance.	<b>94%</b>
9		The Company respects the communities living in the regions in which we work, providing fair and good quality employment opportunities, and dealing fairly with any grievances and criticism.	<b>94%</b>
10		The Company promotes itself fairly, providing unbiased, factual information. Our communication with clients and suppliers is clear, accurate, and credible and we have a positive and transparent approach.	<b>94%</b>
11		The Company works closely with both Clients and Suppliers to help them become more environmentally sustainable.	<b>92%</b>
12		The Company has a Corporate Philanthropy (charity) programme which provides meaningful benefit to the communities in which we operate.	<b>92%</b>

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	<ul style="list-style-type: none"> <li>Local economic development</li> <li>Ethical governance at ship building site</li> </ul>	<ul style="list-style-type: none"> <li>Employment creation</li> <li>Supply chain value and opportunities</li> <li>Facilitation of global economy and trade</li> <li>Global and local economic development</li> </ul>	<ul style="list-style-type: none"> <li>Local economic development</li> <li>Ethical governance at SRF site</li> <li>Monitoring cost of sustainable ship recycling</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>Drive demand for improved standards in the industry</li> <li>Positive step change in reducing environmental footprint during design phase</li> <li>Better management of construction phase</li> <li>R&amp;D /more environmentally-responsible features</li> <li>Influencing the demand for sustainable products / services</li> </ul>	<ul style="list-style-type: none"> <li>Drive demand for improved standards in the industry</li> <li>Improved performance (alternative fuel, reduced emissions through operational efficiencies) during operations</li> <li>Reduced environmental impact/carbon footprint</li> <li>Reduced waste to land and sea</li> <li>Influencing the demand for sustainable products / services</li> </ul>	<ul style="list-style-type: none"> <li>Drive demand for improved standards in the industry</li> <li>Reduced environmental impact during recycling</li> <li>R&amp;D/more environmentally-responsible options for reuse and recycling</li> <li>Influencing the demand for sustainable ship recycling</li> </ul>
Social	<ul style="list-style-type: none"> <li>Drive behavioural change and demand for improved standards in the industry</li> <li>Improved working conditions at ship building yards</li> <li>Improved H&amp;S practices</li> <li>Improved human rights and labour practices</li> <li>Employment creation</li> <li>Improved social indicators and positive impact on overall well-being of workers</li> </ul>	<ul style="list-style-type: none"> <li>Drive behavioural change and demand for improved standards in the industry</li> <li>Improved working conditions</li> <li>Improved H&amp;S practices</li> <li>Improved human rights and labour practices</li> <li>Employment creation and work opportunities</li> <li>Community development</li> </ul>	<ul style="list-style-type: none"> <li>Drive behavioural change and demand for improved standards in the industry</li> <li>Build capacity of SRF in India</li> <li>Improved working conditions at SRF</li> <li>Improved safety standards at SRF</li> <li>Improved human rights &amp; labour practices</li> <li>Employment creation</li> <li>Improved social indicators and positive impact on overall well-being of workers</li> </ul>
<p><b>Governance:</b> Strong organisational governance/Leading by example to raise industry standards and further sustainable development across economic, social and environmental areas</p>			

## Thrive

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.

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

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

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

## 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 de-carbonisation 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:

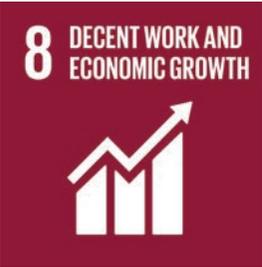
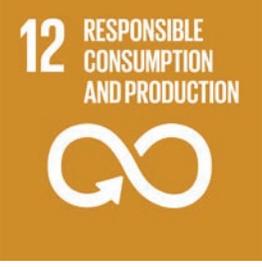
- Connecting with and empowering the local communities that we touch;
- Strengthening our supply chain through responsible and ethical sourcing of services and materials;
- Offering services to enable our stakeholders to live more sustainably.

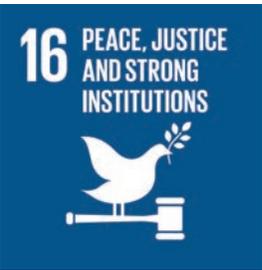
### Relevant SDGs



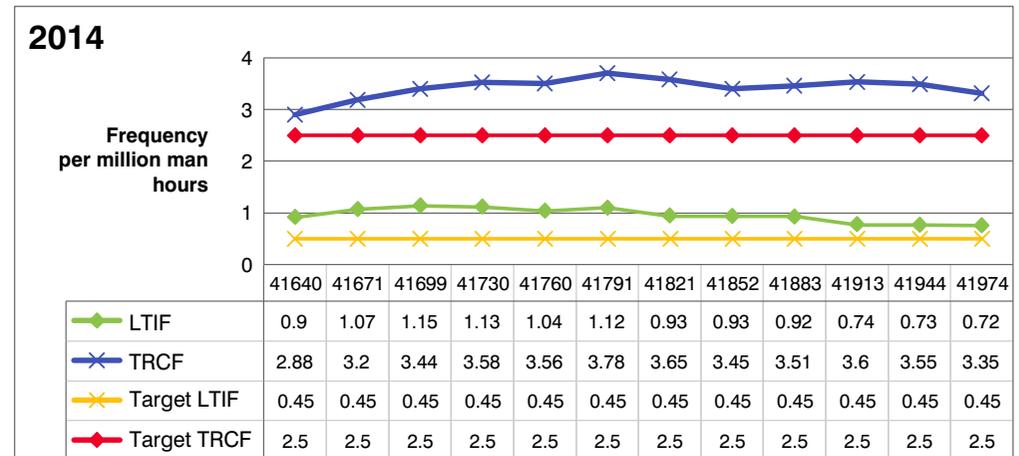
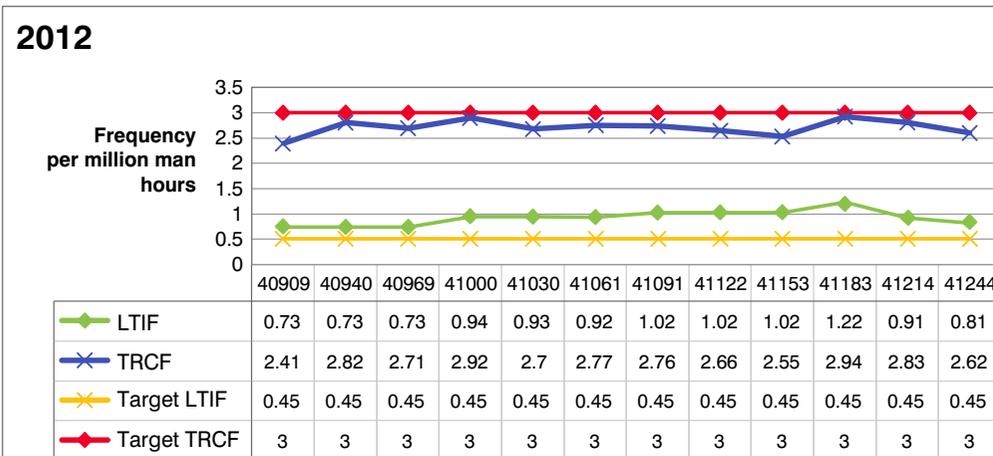
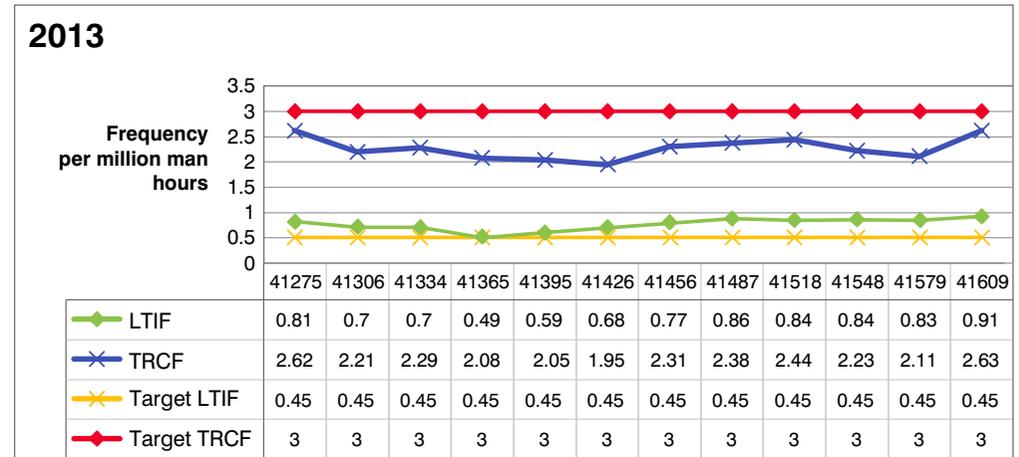
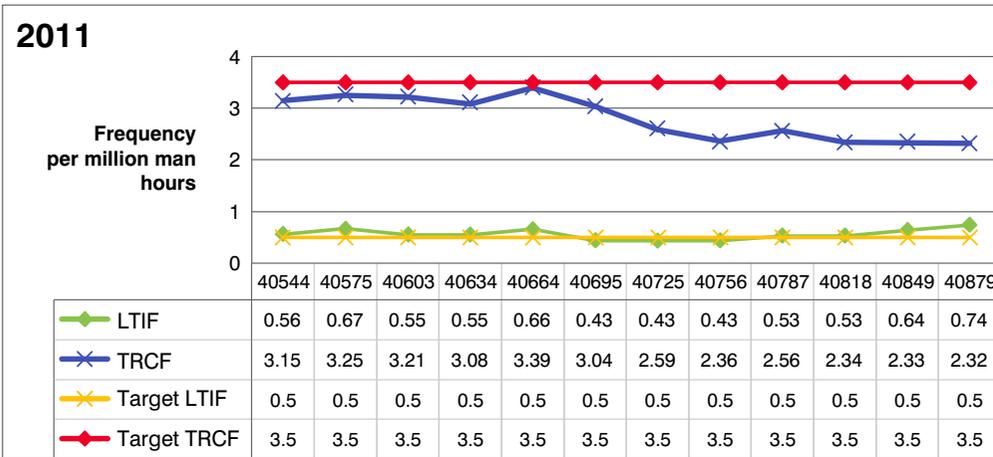
Relevant SDG Goals	Links to Thrive Strategy	Relevance to SPO's operations
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p><b>SAFEGUARDING THE HEALTH AND SAFETY OF ALL OUR EMPLOYEES AND STAKEHOLDERS BY DRIVING SUSTAINED SAFETY EXCELLENCE.</b></p>	<p>See our progress over calendar year 2016 in the <b>Safety and Environment and Communities Sections of the SD Report</b></p> <p><i>Areas covered:</i></p> <ul style="list-style-type: none"> <li>Health and Safety Policies and standards/ Labour practices/ Employee welfare and benefits/ D&amp;A Policy and testing</li> <li>Environmental Policies and procedures to ensure No Harm to the environment and communities</li> <li>Waste disposal and responsible recycling in line with international conventions</li> <li>Mobile clinics for communities (ASSMDA - Corporate Philanthropic project)</li> </ul>
 <p><b>5</b> GENDER EQUALITY</p>	<p><b>ADOPTING A DIVERSE AND INCLUSIVE APPROACH TO SECURING THE BEST TALENT.</b></p> <p><b>RESPECTING THE HUMAN RIGHTS OF ALL OF OUR EMPLOYEES AND OTHER STAKEHOLDERS.</b></p>	<p>See <b>Our People section of the report</b></p> <p><i>Areas covered:</i></p> <ul style="list-style-type: none"> <li>EODIR Policy in place</li> <li>Use of gender inclusive language</li> <li>Gender neutral employee attraction and retention policies and procedures</li> <li>Equality in pay structures and rewards</li> <li>HRM practices supporting women in the workforce</li> <li>Ensuring that funded activities benefit both genders</li> </ul>
 <p><b>6</b> CLEAN WATER AND SANITATION</p>	<p><b>TURNING TODAY'S WASTE INTO TOMORROW'S RESOURCE.</b></p> <p><b>USING NATURAL RESOURCES AND SYSTEMS RESPONSIBLY AND SUSTAINABLY.</b></p>	<p>See <b>Environment and Communities sections of the report</b></p> <p><i>Areas covered:</i></p> <ul style="list-style-type: none"> <li>Environmental protection of water catchment areas and water resources (Ship recycling and Community projects: Partnership with ESI)</li> <li>Environmental Management policies</li> <li>Water treatment and water production on vessels and recycling practices</li> <li>Safe ship recycling practices minimising release of hazardous chemicals into the water</li> <li>Protection of wetlands (CP projects), mangroves (SGCT/ESI), forests (SPO's Paraguay project)</li> </ul>
 <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	<p><b>PURSUING A LONG-TERM GOAL OF DECARBONISATION AND OPTIMISING ENERGY EFFICIENCY.</b></p>	<p>See <b>Environment section of the report</b></p> <p><i>Areas covered:</i></p> <ul style="list-style-type: none"> <li>Decarbonisation through low carbon technologies and minimising use of fossil fuels / R&amp;D into alternative energy sources</li> <li>Energy efficiencies (Clean or Clean Design) for owned vessels</li> <li>Eco-office/green office practices</li> <li>Use of solar panels on buildings (Altus Solar panels)"</li> </ul>

SDGs and SPO Thrive Strategy with Progress *cont.*

Relevant SDG Goals	Links to Thrive Strategy	Relevance to SPO's operations
 <p><b>8</b> 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>See <b>Our People and Safety sections of the report</b></p> <p><i>Areas covered:</i></p> <p>Inclusive labour practices across all countries of operation / Good and safe working conditions            Equal pay for work of equal value / Human rights impact assessments (when required)            Sound labour rights incorporated into organisational policies and procedures (HR and SPSM Contracts and Manuals)            Equal opportunities and respect in the work place (EODIR Policy) / H&amp;S standards            Modern Day Slavery assessments / Supply Chain Sustainability issues / Supplier audits</p>
 <p><b>10</b> REDUCED INEQUALITIES</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>See <b>Our People section of the report</b></p> <p><i>Areas covered:</i></p> <p>EODIR Policy 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</p>
 <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<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>See <b>Environment section of the report</b></p> <p><i>Areas covered:</i></p> <p>Environmental Management policies and practices            Hazardous materials management practices and disposal            Recycling practices / Sustainable ship recycling practices            SD Policies, committees, working groups / SD reporting            Supply Chain Sustainability working group and CoC            Sustainable procurement practices and policies</p>
 <p><b>13</b> CLIMATE ACTION</p>	<p>PURSUING A LONG-TERM GOAL OF DECARBONISATION AND OPTIMISING ENERGY EFFICIENCY.</p>	<p>See <b>Environment section of the report</b></p> <p><i>Areas covered:</i></p> <p>Decarbonisation through low carbon technologies and minimising use of fossil fuels / R&amp;D into alternative energy sources            Energy efficiencies (Clean or Clean Design) for owned vessels            Eco-office/green office practices            Use of solar panels on buildings (Altus Solar panels)            Carbon neutrality through REDD+ project in Paraguay and carbon credits offsetting</p>

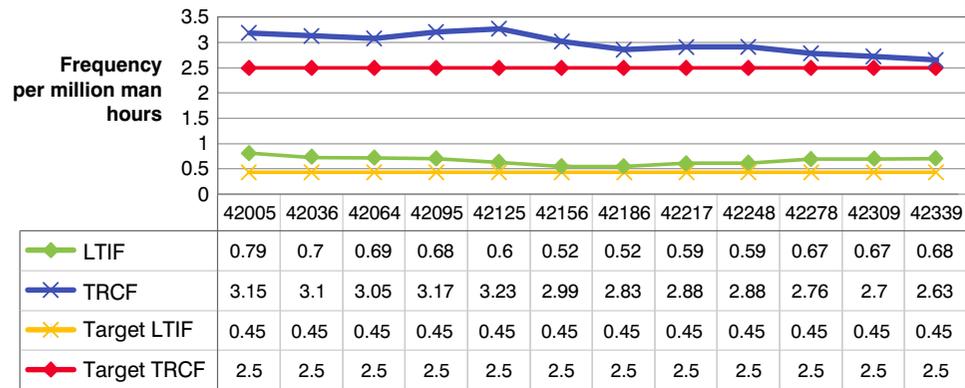
Relevant SDG Goals	Links to Thrive Strategy	Relevance to SPO's operations
 <p><b>14</b> LIFE BELOW WATER</p>	<p>PROTECTING AND, WHERE VIABLE, ENHANCING THE BIODIVERSITY OF ENVIRONMENTS THAT OUR OPERATIONS IMPACT.</p>	<p>See <b>Environment and Communities sections of the report</b></p> <p><i>Areas covered:</i></p> <ul style="list-style-type: none"> <li>Going beyond legislative compliance</li> <li>Zero Harm Policies</li> <li>Investment in clean and green technologies</li> <li>Green guidelines</li> <li>Corporate Philanthropic investments (ESI, REDD+, employee education and volunteering)</li> <li>Working with NGOs on environmental conservation and biodiversity related projects</li> </ul>
 <p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>IMPROVING OUR CORPORATE GOVERNANCE TO REFLECT OUR STAKEHOLDERS' INTERESTS.</p>	<p>See <b>Governance and Our People sections of the report</b></p> <p><i>Areas covered:</i></p> <ul style="list-style-type: none"> <li>Code of Conduct / Whistleblowing Policies</li> <li>Third party due diligence</li> <li>Antitrust Policies / Sanctions</li> <li>Procurement practices and guidelines / Supply Chain Sustainability Code of Conduct</li> <li>Anti-bribery Policy and training for employees</li> <li>Privacy Policies, procedures and training</li> </ul>
 <p><b>17</b> 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>See <b>Our Communities section of the report</b></p> <p><i>Areas covered:</i></p> <ul style="list-style-type: none"> <li>Corporate Philanthropic investments in our key stakeholder communities</li> <li>Partnerships with Universities and NGOs</li> <li>Working with Governments in the areas of assistance required in LDCs where we operate</li> <li>Engage in Public-private and Civil Society partnerships for SD</li> </ul>

12 Month Rolling Average LTIFR and TRCFR Against Target

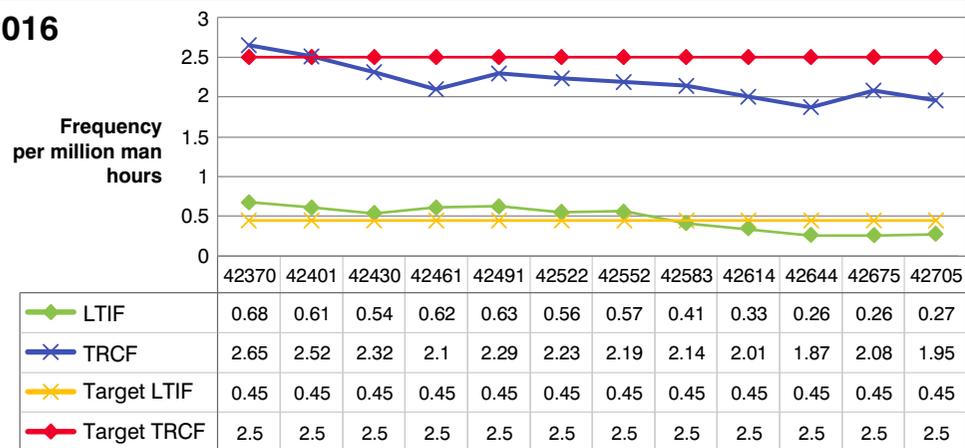


12 Month Rolling Average LTIFR and TRCFR Against Target *cont.*

2015



2016

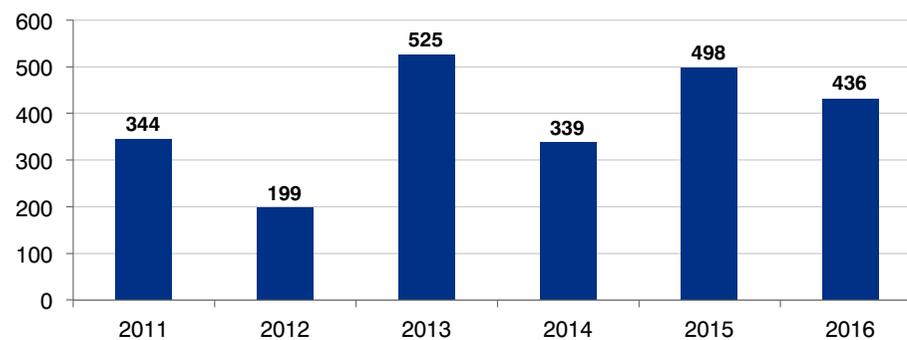


## Historical Performance Indicators / Number of Near Miss and Hazard Reports

### Historical Performance Indicators

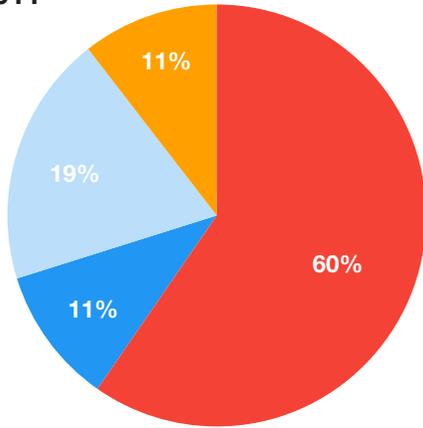
Year	Manhours	LTIs	LTIFR (1 million man/hr)	LTIFR (200,000 man/hr)	LTI, MTC & RWC	TRCF (1 million man/hr)	TRCF (200,000 man/hr)
2012	9,777,101	8	0.82	0.16	26	2.66	0.53
2013	11,021,233	10	0.91	0.18	29	2.63	0.53
2014	12,535,729	9	0.72	0.14	42	3.35	0.67
2015	12,813,103	9	0.70	0.14	35	2.73	0.55
2016	11,299,843	3	0.27	0.05	25	2.21	0.44
<b>Average Stats</b>	<b>11,489,402</b>	<b>7.80</b>	<b>0.68</b>	<b>0.14</b>	<b>31.40</b>	<b>2.72</b>	<b>0.54</b>

### Number of Near Miss and Hazard Reports

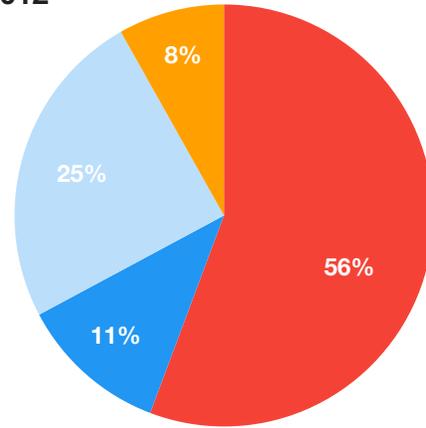


Total Number of Incidents by Category

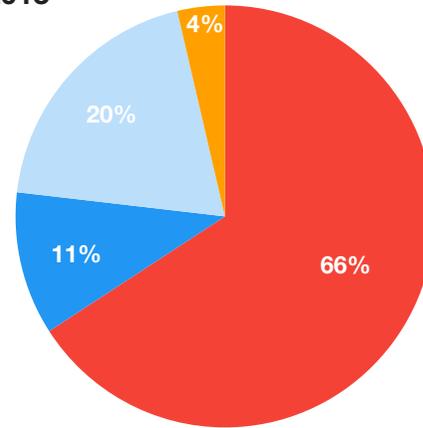
2011



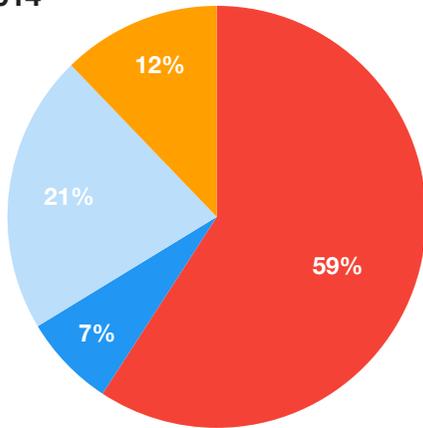
2012



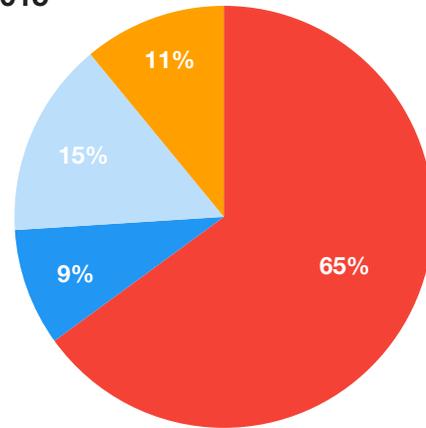
2013



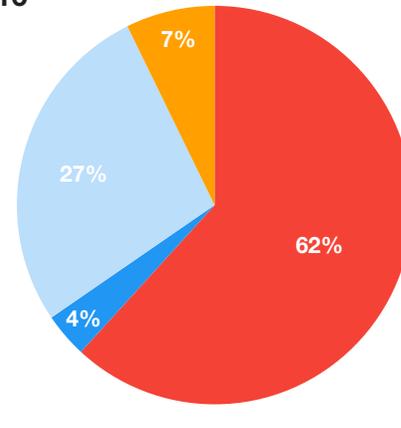
2014



2015



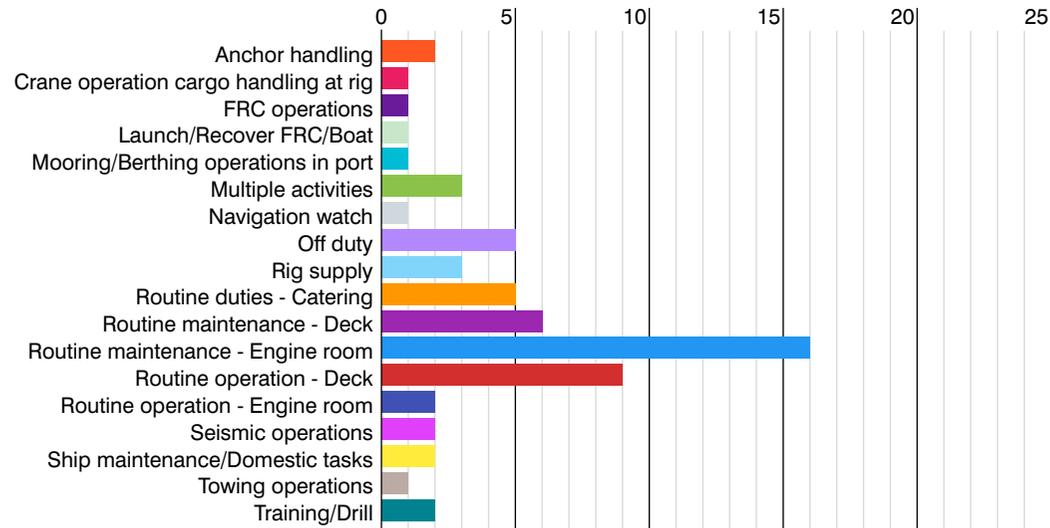
2016



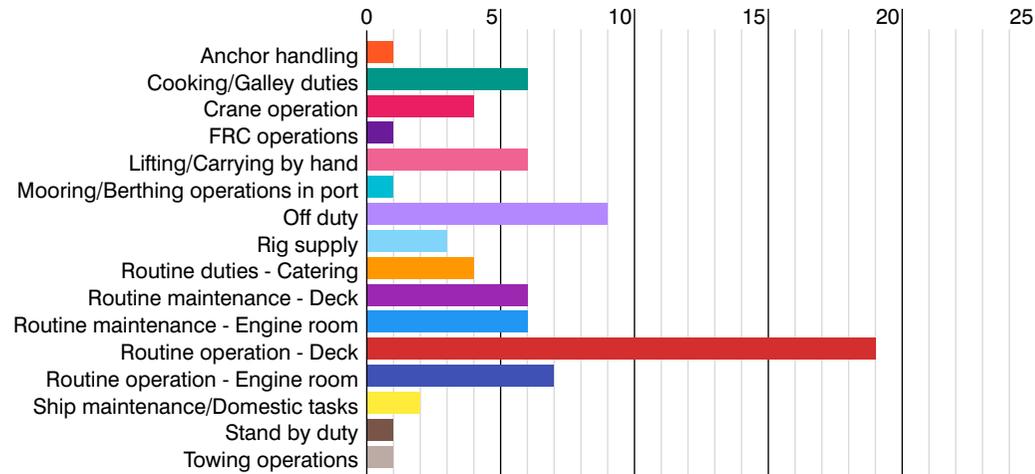
- Lost Time Injury
- Medical Treatment
- Restricted Work
- First Aid

**Total Recordable Cases by Tasks Performed**

**2011**

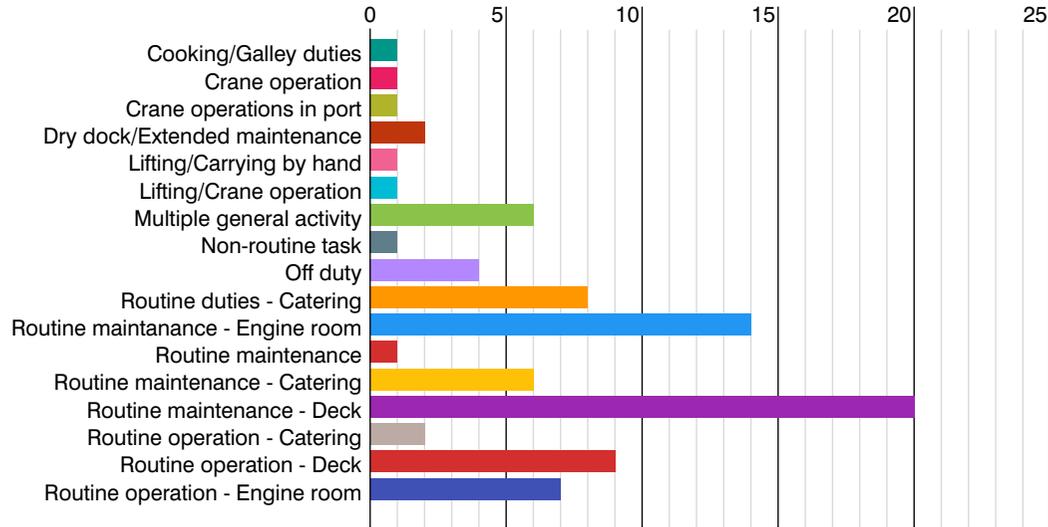


**2012**

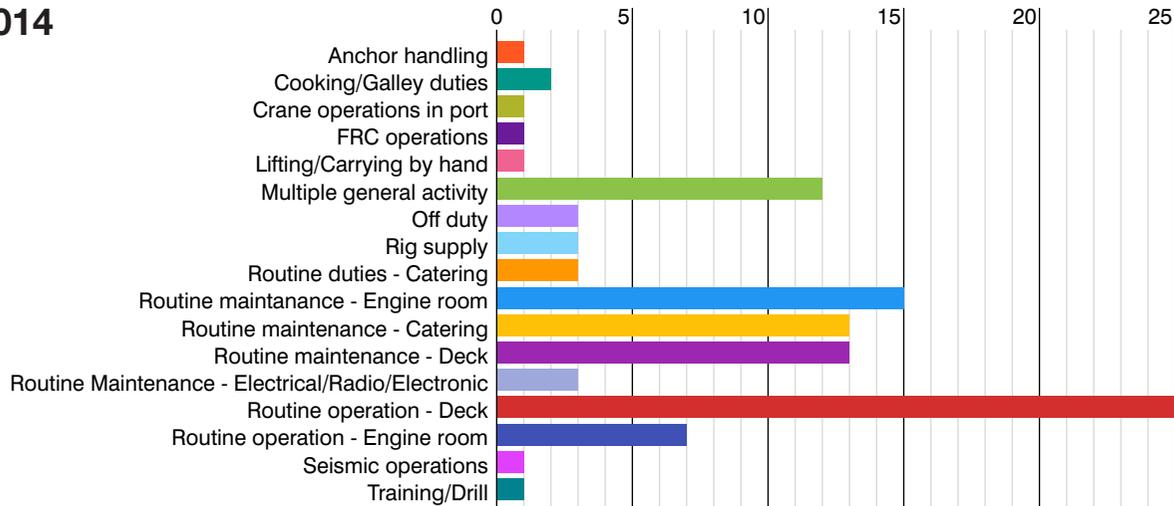


**Total Recordable Cases by Tasks Performed *cont.***

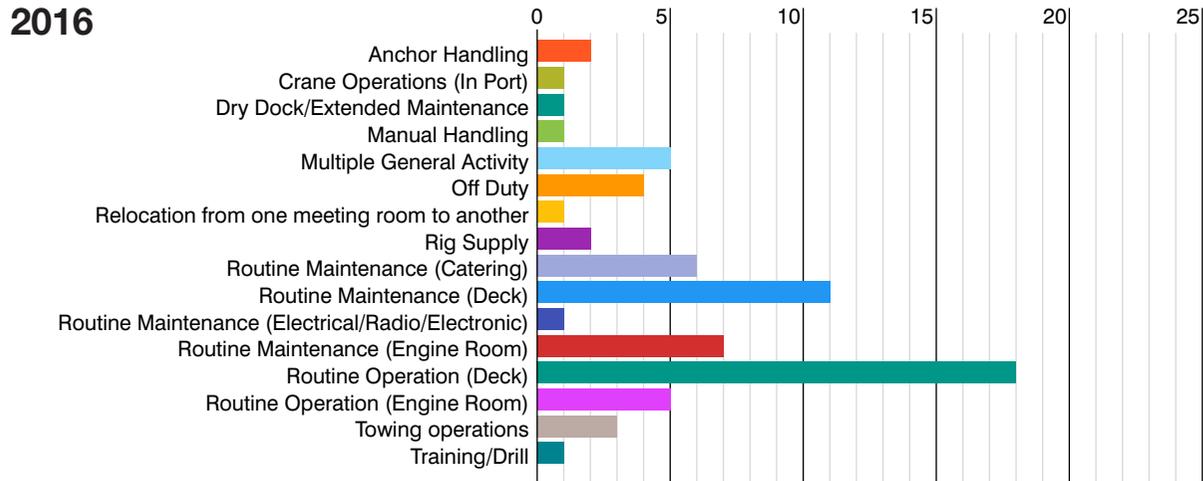
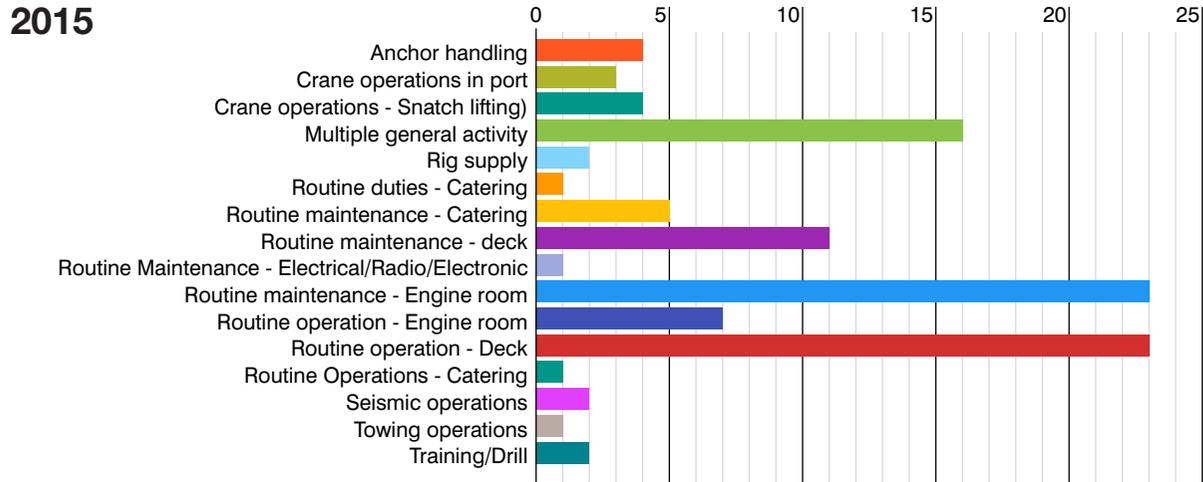
**2013**



**2014**



**Total Recordable Cases by Tasks Performed *cont.***



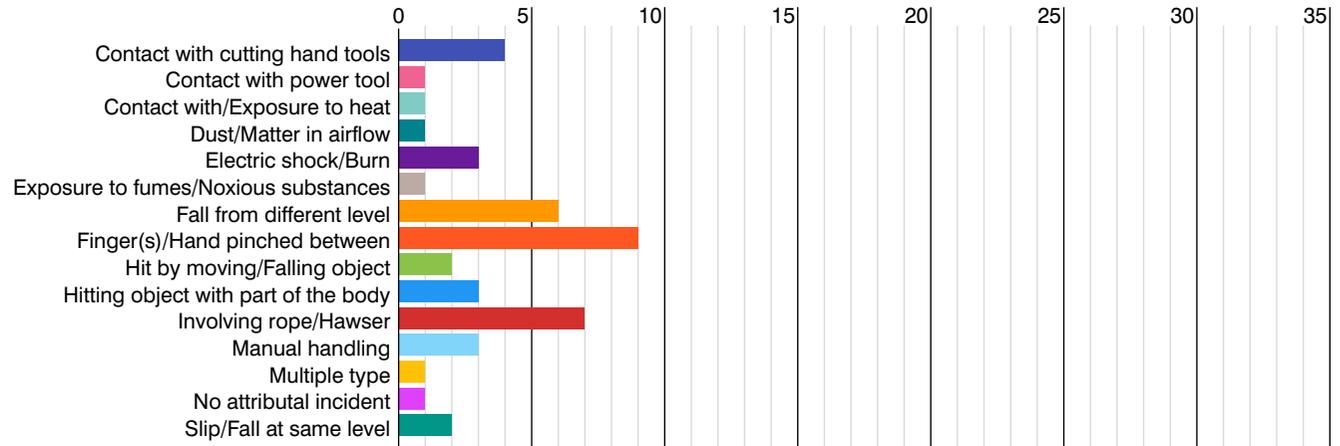
**Total Recordable Cases by Type of Accident**

**Total Recordable cases by Type of Accident**

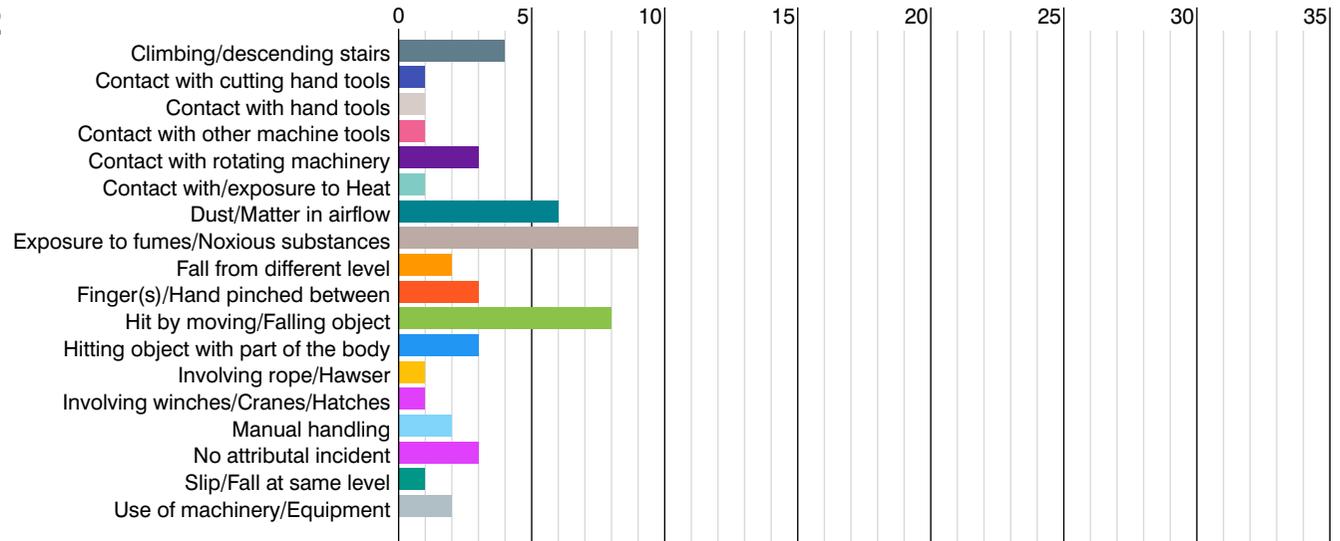
**2011**

Over the last six years the majority of accidents were classed under the following categories:

- Hitting an object with part of the body
- Slip / Trip / Fall at same Level
- Manual Handling
- Hit by moving / falling object
- Unsafe Act

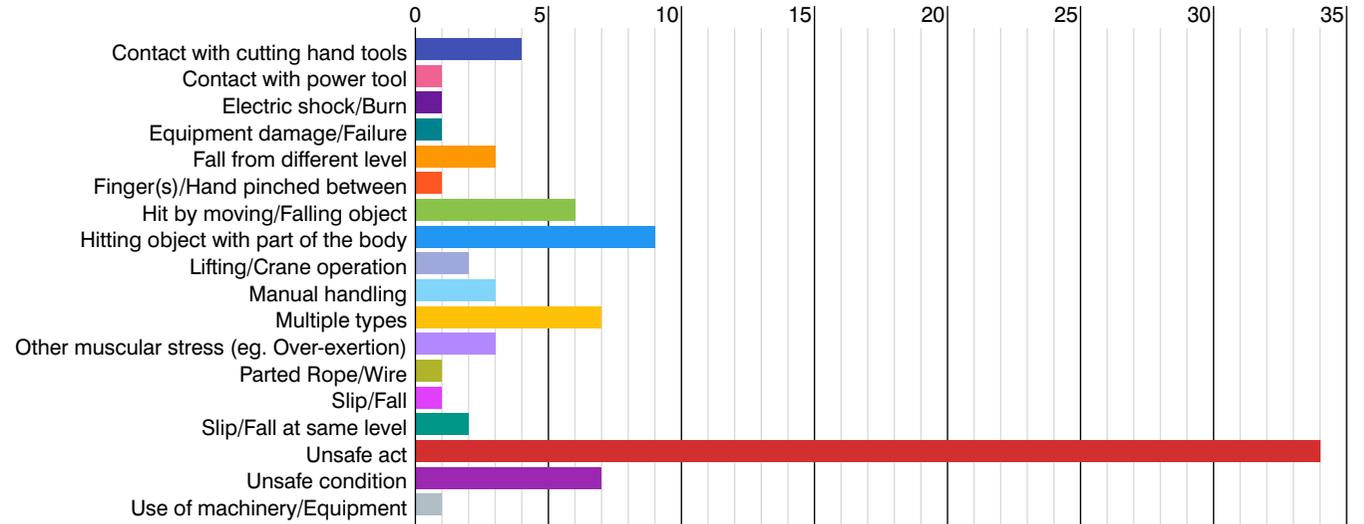


**2012**

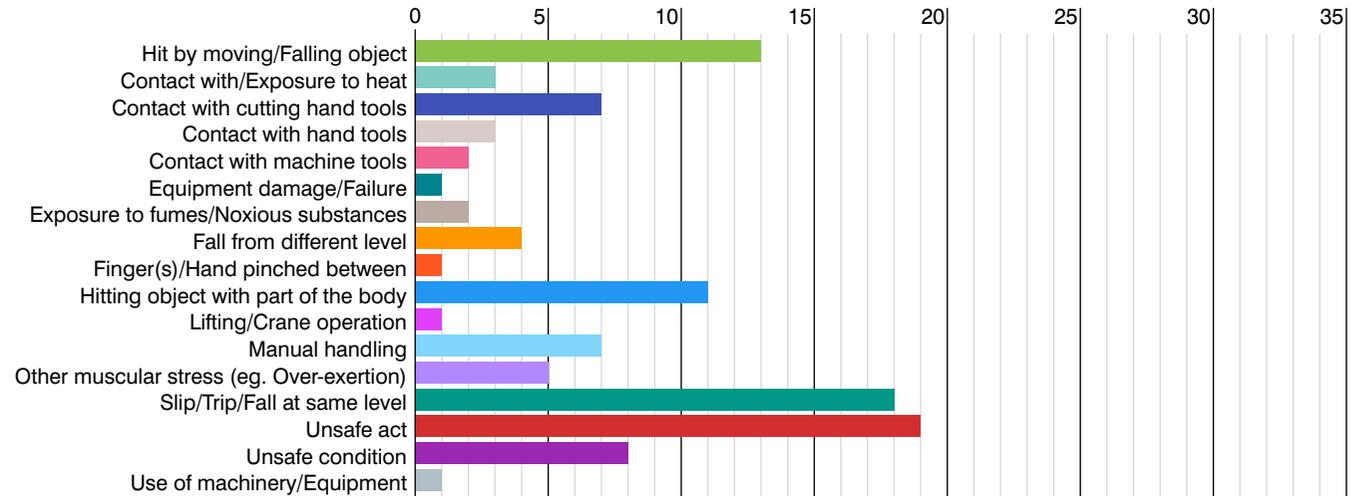


Total Recordable Cases by Type of Accident *cont.*

2013

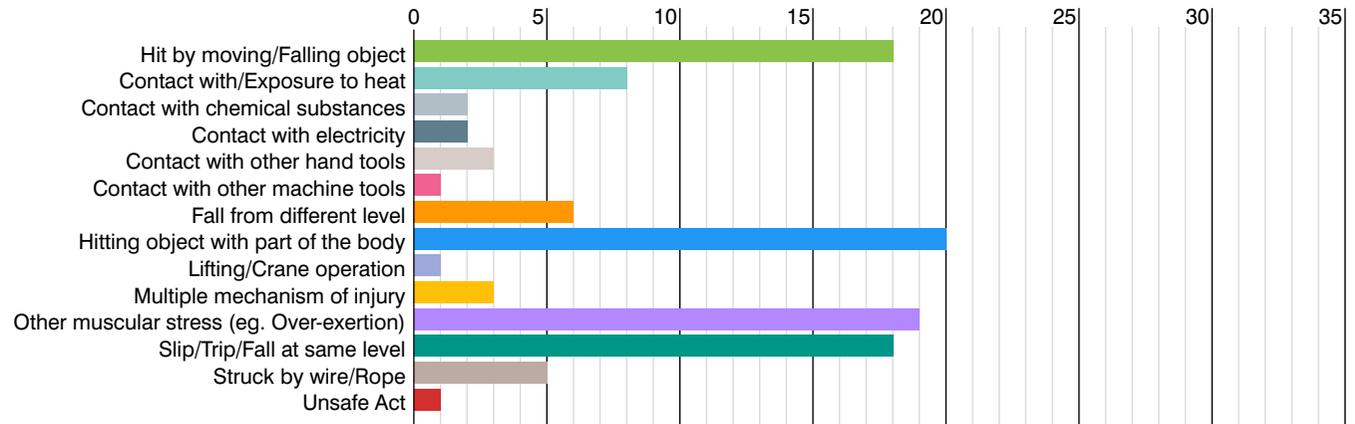


2014

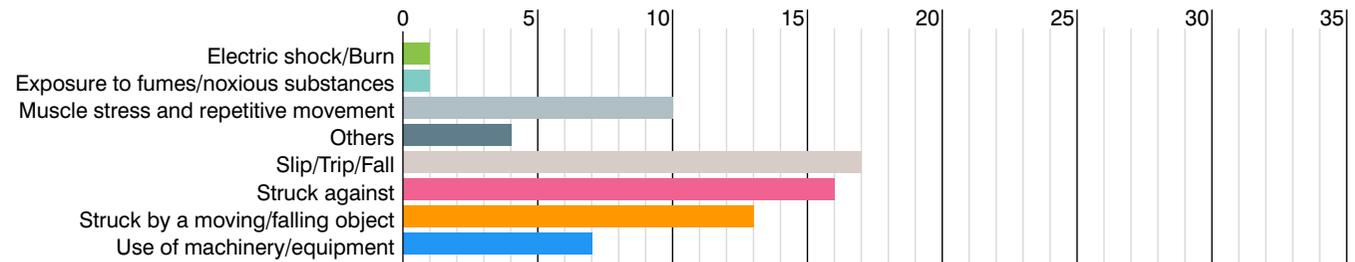


**Total Recordable Cases by Type of Accident** *cont.*

**2015**



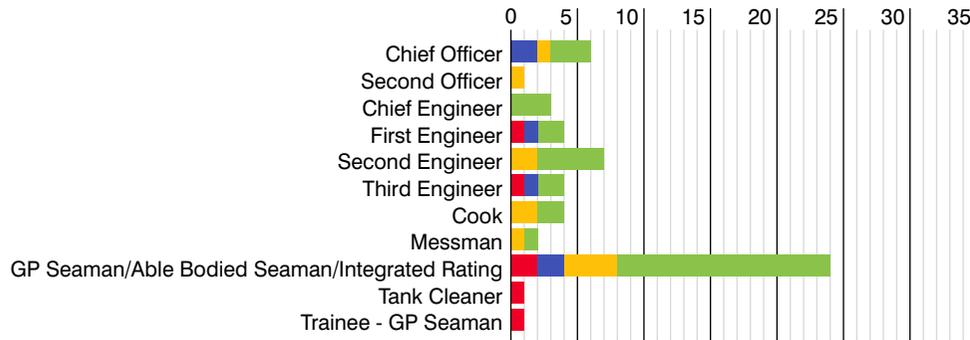
**2016**



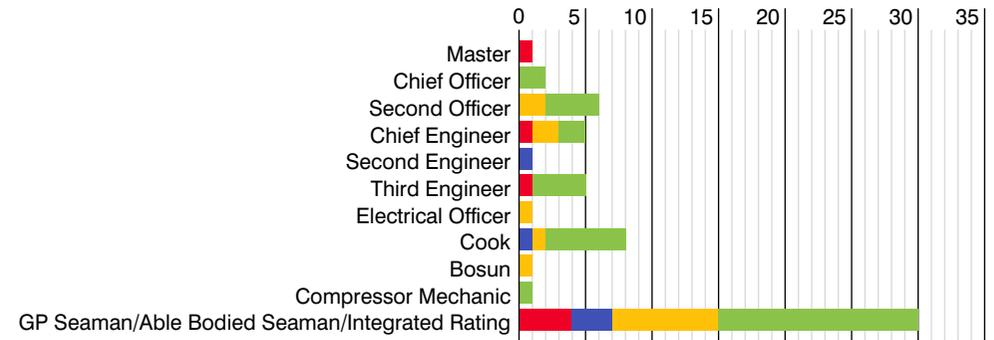
**Total Recordable Cases by Rank**



**2011**



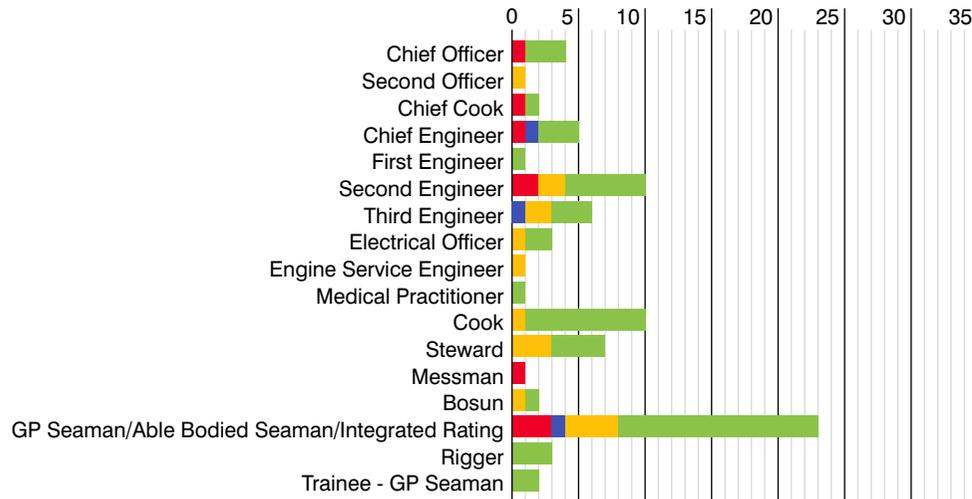
**2012**



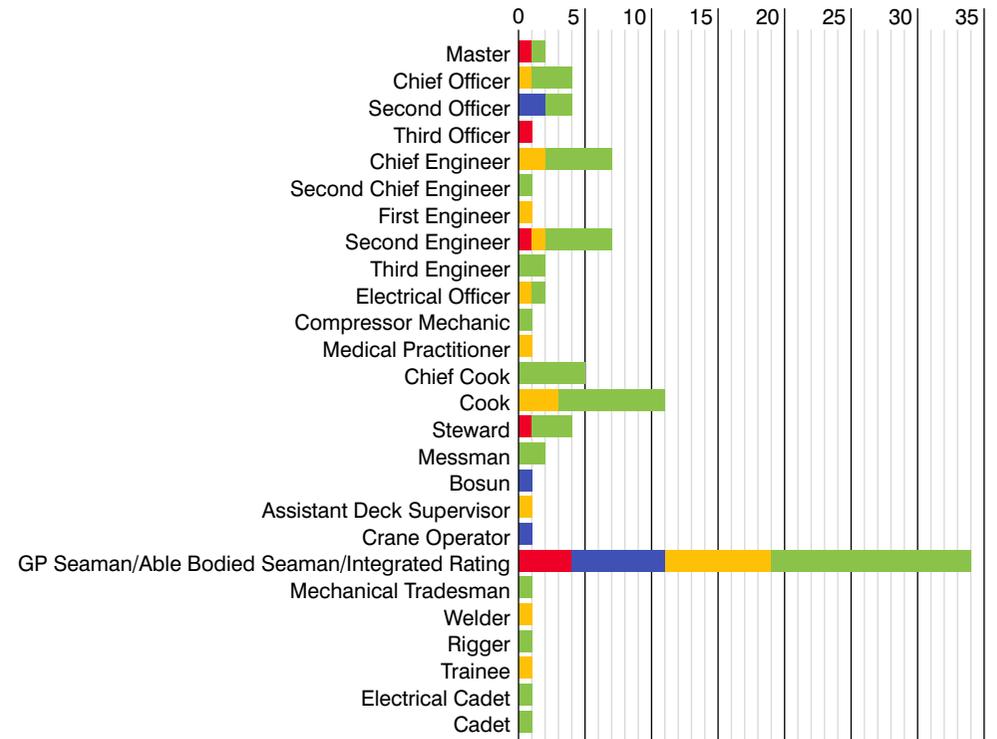
Total Recordable Cases by Rank *cont.*



2013



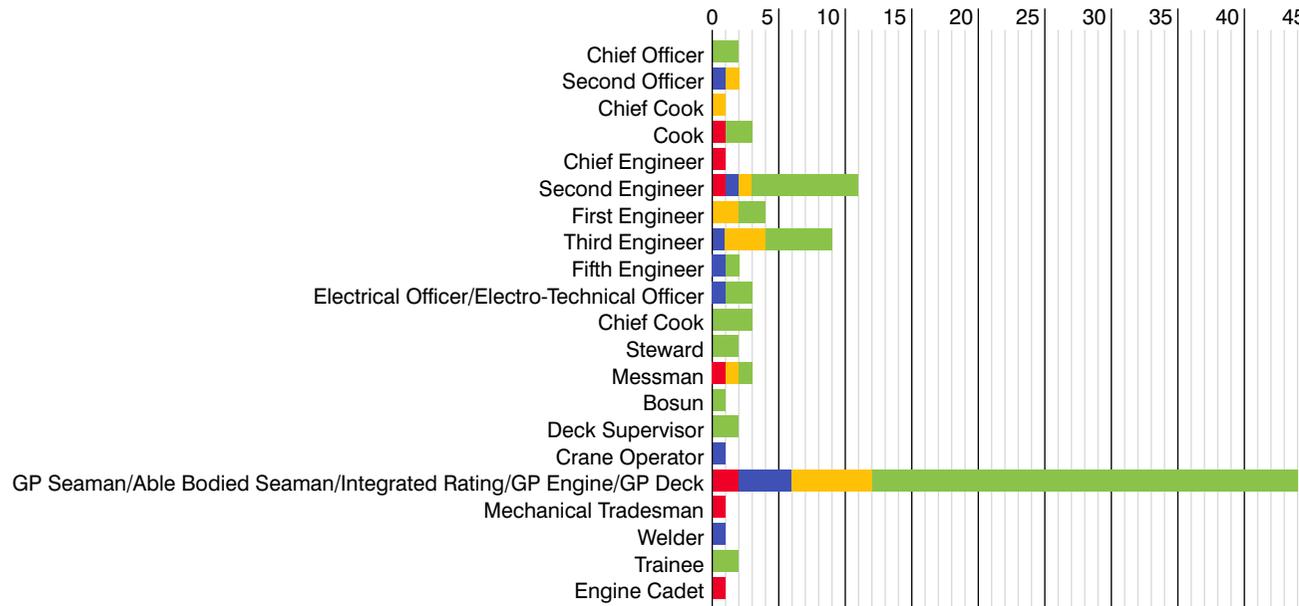
2014



Total Recordable Cases by Rank *cont.*



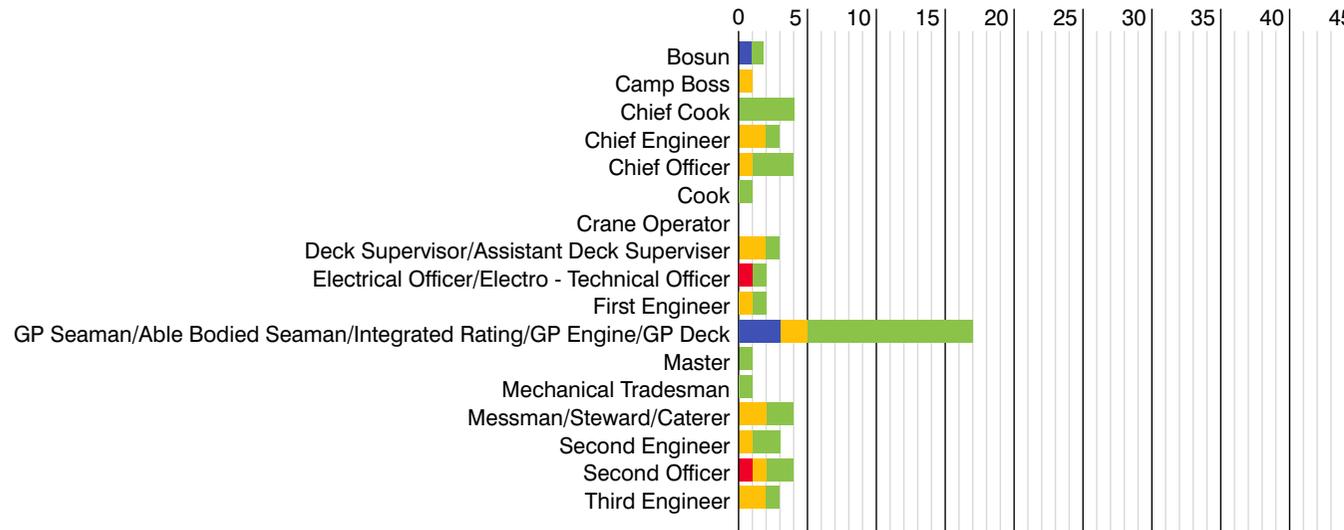
2015



**Total Recordable Cases by Rank *cont.***



**2016**



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

<b>GRI</b>	Global Reporting Initiative
<b>H<sub>2</sub></b>	Hydrogen
<b>HCFC</b>	Hydrochlorofluorocarbon/s
<b>HCV</b>	High Conservation Value
<b>HFO</b>	Heavy Fuel Oil – a residual fossil fuel
<b>HHV</b>	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
<b>HKC</b>	Hong Kong Convention for Safe and Responsible Recycling of Ships (2009)
<b>HOF</b>	Head Office (in Singapore)
<b>HSE</b>	Health, Safety and the Environment
<b>HSSE</b>	Health, Safety, Security and the Environment
<b>ICAO</b>	Inter Civil Aviation Organisation
<b>ICS</b>	International Chamber of Shipping
<b>IEA</b>	International Energy Agency (UN)
<b>IFO</b>	Intermediate Fuel Oil - residual fuel. Usually 180 or 380 CST viscosity See <a href="http://intertek.ch/schwerol">http://intertek.ch/schwerol</a>
<b>IHM</b>	Inventory of Hazardous Material, per the HK Ship Recycling Convention
<b>ILO</b>	(UN) International Labour Organisation
<b>IMO</b>	(UN) International Maritime Organisation
<b>ISM</b>	International Management Code for the Safe Operation of Ships and for Pollution Prevention, (International Safety Management (ISM) Code) as chapter XI of SOLAS
<b>IUCN</b>	International Union for Conservation of Nature and Natural Resources
<b>KBA</b>	Key Biodiversity Area
<b>KPI</b>	Key Performance Indicator
<b>kW hr (unit)</b>	Kilo Watt hour, is a unit of energy equal to 1,000 Watt hours or 3.6 mega Joules
<b>LHV</b>	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

<b>LO</b>	Lubricating Oil
<b>LTI</b>	Lost Time Injury
<b>LTIFR</b>	Lost Time Injury Frequency Rate
<b>MARPOL</b>	IMO International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 and later
<b>MCA</b>	(UK) Maritime and Coastguard Agency
<b>MDO</b>	Marine Diesel Oil – a distillate fuel
<b>MGO</b>	Marine Gas Oil – a distillate fuel (higher fraction than MDO)
<b>MHE</b>	Material Hazardous to the Environment
<b>MLC</b>	ILO Maritime Labour Convention, 2006
<b>MPA</b>	Maritime and Port Authority of Singapore
<b>MSA</b>	UK: Modern Slavery Act (2015)
<b>MTC</b>	Medical Treatment Case
<b>NGER</b>	Australian National Greenhouse Gas and Energy Reporting Act
<b>NI</b>	Nautical Institute
<b>NO<sub>x</sub></b>	Oxides of Nitrogen
<b>OFW</b>	Overseas Filipino Workers
<b>OPEC</b>	Organisation of Petroleum Exporting Countries
<b>PEU</b>	Performance Evaluation Reports
<b>PM</b>	Particulate Matter
<b>PO</b>	Purchase Order/s
<b>POEA</b>	Philippines Overseas Employment Agency
<b>PSCI</b>	Port State Inspection Compliance Index
<b>PSI</b>	Port State Inspection
<b>QHSE</b>	Quality, Health, Safety and Environment
<b>REDD</b>	Reduced Emissions from avoided Deforestation and forest Degradation
<b>RFQ</b>	Request For a Quote
<b>RWC</b>	Restricted Work Case
<b>SD</b>	Sustainable Development

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







General Standard Disclosures - Core			
Indicator	Disclosure on Management Approach	Reported	Cross-reference/Answers/Notes
<b>Section: Strategy &amp; Analysis</b>			
G4-1	MD's Cover Note	Yes	See MD's message of the report. p3
<b>Section: Organisational Profile</b>			
G4-3	Organisation name	Yes	"Governance" section of the report. p10
G4-4	Primary brands, products, and services	Yes	"Governance" section of the report. p10 - 11
G4-5	Headquarters location	Yes	SPO Headquarters is in Singapore.
G4-6	Where the organisation operates	Yes	"Governance" section of the report. p10
G4-7	Nature of ownership and legal form	Yes	"Governance" section of the report. p10
G4-8	Markets served	Yes	"Governance" section of the report. p10
G4-9	Scale of the organisation	Yes	"Governance" and "Our People" sections for the locations of employees/offices and number of employees. p10, p23
G4-10	Total number of employees by type	Yes	"Our People" section of the report: "Employee profile" and "Diversity and Inclusion" sub-sections. There were no seasonal variations in employment numbers. p22, p25
G4-11	Collective bargaining agreements	Yes	All SPO seafarers are covered by collective bargaining agreement (CBA) in accordance with the Maritime Labour Convention (MLC) 2006. Land based employees are not covered by collective bargaining agreements.
G4-12	Supply chain description	Yes	Please refer to the "Supplier management" under "Governance" section of the report. p18
G4-13	Organisational changes during the reporting period	Yes	Please refer to the "Governance" section of the report. p10  Company's fleet reduced by 10 vessels during the reporting period with corresponding decrease of 4% in our land-based employees, whilst seagoing personnel numbers decreased by 19% reflecting commercial decision to sell and warm/cold stack the vessels. In October 2016, SPO sold one of its subsidiaries - Altus Oil & Gas Services to focus our business on vessel operations and marine services. At the same time SPO expanded its operations into two more geographical locations being: Hustoun , USA and Trinidad and Tobago.  As a global company our supply chain reflects our global operations. In 2016, 23,000 sales and transactions performed supplying goods and services to SPO.
G4-14	Precautionary principle	Yes	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 out greenhouse gas emissions and other negative environmental impact. See "The Environment" section for more details. p36-54
G4-15	External charters, principles, or other initiatives	Yes	Fair employment practices (TAFEP) Singapore in April 2013.
G4-16	Membership associations	Yes	Singapore Shipping Association World Ocean Council Global Compact (Singapore)

<b>Section: Identified Material Aspects &amp; Boundaries</b>			
G4-17	Entities included in financial statements	Yes	Please refer to the organisational boundaries diagram. All companies within its scope have been reported on under this report. All financial statements are confidential. <i>p13</i>
G4-18	Process for defining report boundaries and content	Yes	"Introduction" Section of the report. <i>p7</i>
G4-19	Material aspects included in the report	Yes	See "Stakeholder Engagement and Materiality" under the "Governance" section of the report. <i>p19, p66</i>
G4-20	Descriptions of material aspect boundaries within the organisation	Yes	See "Materiality Index" (Annex on page 66) and the Organisational and Operational Boundaries diagram. Material aspects are relevant for all SPO entities and in all geographical locations we operate.
G4-21	Descriptions of material aspect boundaries outside the organisation	Yes	The only area that is material to our operations that falls outside of the organisational boundaries relates to the "Transfer" phase of our Value Chain matrix. This is because we believe we have the responsibility for how our vessels are recycled at the end of their working life. Please see section on Sustainable Ship recycling in the report for more information. <i>p50</i>
G4-22	Restatements	Yes	There have been no restatements of data however some of the initiatives which started in prior years and continued during the reporting period are covered.
G4-23	Changes from previous reports in terms of scope and/or boundaries	Yes	The scope changed due to the sale of Altus Logistics and opening operations in USA and Trinidad&Tobago. The rest of the business scope and boundaries remained the same.
<b>Section: Stakeholder Engagement</b>			
G4-24	Stakeholder groups	Yes	Investors: Shareholders/ JS&S Board/UK Head office and other Swire group companies (Private and Public) Subsidiary Companies: as per the Organisational boundaries chart Employees: sea staff, shore staff, Senior execs/mid Managers/Managers/other Suppliers: Legal/HR/Auditors/ MGO and LO suppliers Communities: Local key s/h communities/ Corporate Philanthropic funds recipients Government and Regulators: Classification societies/ Shipping Industry actors: Peers/SRF
G4-25	How stakeholders were identified	Yes	In 2015 SD department worked with Communications Department to develop Communications Plan and identify key stakeholder groups and communications strategies. Value Chain analysis was undertaken in 2016.
G4-26	Approach to stakeholder engagement	Yes	Stakeholder mapping exercise was re-done in 2014-2015 and stakeholder engagement is an ongoing process. We interact with our stakeholders regularly, through office visits (employees and clients), officer and crews' fora (for sea-going employees), training programmes (sea staff and industry partners) during Safety Management courses in Singapore and on board our vessels (sea staff), shore employee induction programmes and many other ad hoc events. Those events are organised with the aim of keeping our stakeholders fully aware of the material developments within the company and specifically covering the area of Sustainable Development. They also offer an avenue to voice any concerns related to safety, human rights, labour practices and environmental issues. For this report, through our stakeholder engagements and surveys, we have identified and ranked the importance of various ESG components. Please see "Material aspects" and corresponding table in the attachment to this report. External stakeholder survey is planned for 2017.
G4-27	Topics raised during stakeholder engagements	Yes	See "Material aspects" section of the report. <i>p66</i> All concerns are addressed in collaboration with other departments and in SD Reports.

<b>Section: Report Profile</b>			
G4-28	Reporting period	Yes	"Introduction" Section of the report - January to December 2016
G4-29	Date of most recent report	Yes	Sustainability report for 2011-2015 calendar years
G4-30	Reporting cycle	Yes	Annual
G4-31	Report contact	Yes	Contact section of the report. GM - Sustainable Development is the key contact
G4-32	"In accordance" option, GRI Index and report assurance	Yes	Report for the year 2016 has been prepared in accordance with the Global Reporting Initiative's Sustainability Reporting Guidelines (GRI 'In accordance' Standard disclosure - Core Option), with a focus on transparency and clarity. It will be externally assured and the assurance statement added to the report at a later date.
G4-33	Policy regarding report assurance	Yes	We have sought external assurance for this report from an independent assurer. The assurer does not have any known relationship to the organisation.
<b>Section: Governance</b>			
G4-34	Governance structure of the organisation	Yes	Please see "Governance" section of the report. <i>p14-15</i>
<b>Section: Ethics &amp; Integrity</b>			
G4-56	Code of conduct	Yes	SPO's Code of Conduct is available on the company's intranet. The Code is applicable to all employees ashore or at sea, it sets the highest standards of business ethics. For more information see Anti-corruption and anti-trust section of the report. <i>p17</i>

Specific Standard Disclosures by Material Aspects by GRI aspect			
Environmental Category			
DMA (Material Aspect)	Energy		
G4-EN3	Energy consumption within the organization	Yes	Please refer to the "Environment" section of the report. <i>p39-45</i>
G4-EN13	Habitats protected or restored		SPO has protected an area of 4,745 hectares in the Paraguayan Chaco and 72 hectares in the Atlantic Forest in the east of Paraguay. The protected Atlantic Forest is intended to buffer a larger body of forest in the San Rafael forest reserve, the reserve measuring approximately 69,000 hectares. The protection was carried out in partnership with the World Land Trust, a biodiversity conservation organisation based in the UK, and Guyra Paraguay a Paraguayan biodiversity conservation organisation. The reserve in the Chaco is currently an intact block of tropical forest comprising a mosaic of mesoxerophytic forest formations and palm savannah and is protected as a private nature reserve. The protected area in the Atlantic Forest is sub-tropical moist deciduous forest that has been historically degraded and is recovering. It is currently protected under agreements with the land owners who are given a "payment for ecosystem services" to conserve the project forest. Both projects have been independently endorsed through validation and verification under the Verified Carbon Standard using the REDD+ Methodology Framework, and validation and verification under the Climate, Community and Biodiversity Standard version 2.
G4-EN14	Total number of IUCN red list species and national conservation list species with Habitats in areas affected by operations, by level of extinction risk	Yes	Please see Annexe on <i>p99</i>
DMA	Emissions		
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Yes	Please refer to the "Environment" /Energy use (Scopes 1, 2 and 3) subsection of the report. <i>p46</i>
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Yes	Please refer to the "Environment" section of the report. <i>p46</i>
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Yes	Please refer to the "Environment" section of the report. <i>p46</i>
G4-EN18	Greenhouse gas (GHG) emissions intensity	Yes	Please refer to the "Environment" section of the report. <i>p46</i>
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Yes	Please refer to <i>p36</i> of the report. SPO is carbon neutral.
G4-EN20	Emissions of ozone-depleting substances (ODS)	Yes	Please refer to the "Environment" section of the report / report on HCFC/HFC. <i>p48</i>
G4-EN21	NOx, SOx, and other significant air emissions	Yes	Please refer to the "Environment" section of the report/ NOx SOx PM and VOC emissions tables. <i>p48</i>

DMA		Effluents and Waste	
G4-EN22	Total water discharge by quality and destination	No	
G4-EN23	Total weight of waste by type and disposal method	No	
G4-EN24	Total number and volume of significant spills	Yes	Please refer to the "Environment" section of the report / Effluents and Waste. p49
G4-EN25	"Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention and percentage of transported waste shipped internationally"	No	
DMA		Compliance	
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Yes	None in 2016
DMA		Environmental Grievance Mechanisms	
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Yes	There were zero non-compliance grievances or public complaints on our environmental impact in 2016.
Social			
DMA		Employment	
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Yes	Please see "People" section of the report. p26
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Yes	All of the statutory benefits are provided as an absolute minimum in all of SPO's key locations for all employees. All of our seafarers receive: 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  Key locations are defined as countries where more than 3% of our employees are based.
DMA		Occupational H&S	
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Yes	On board our vessels 100% of our seafarers are represented on the joint H&S committees. For the offices, we have H&S committees in SPO's Head Office and all our outposts.
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Yes	Please see "Safety" Section of the report and the related Annexes. p34, p73-86
G4-LA8	Health and safety topics covered in formal agreements with trade unions	Yes	Following topics are fully covered in CBA for seafarers: Working hours, sickness and injury (incl. sick pay), compensation for disability and death, medical treatment

<b>DMA</b>		<b>Training and Education</b>	
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Yes	For statistics please refer to the Training sub-section of the report under "Our People" section. <i>p28-30</i> Breakdown by Gender is not available however both man and women are offered equal opportunities to attend training. Breakdown by employee category is as follows: Management: 2,274 hours or 17.77 per person Support: 1,543 hours or 5.14 per person
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Yes	100% of land based employees and seafarers in all locations received a yearly performance appraisal and development review in 2016. For the sea staff this was done at the end of each shift.
<b>DMA</b>		<b>Diversity and Equal Opportunity</b>	
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Yes	Governance Body - Board of Directors: No Female Directors. All members are male falling into two age groups: 30-50 years old and over 50. No minority groups present. For breakdown by gender and age group please see the Diversity and Inclusion section of the report. <i>p26</i>
<b>DMA</b>		<b>Labour Practices Grievance Mechanisms</b>	
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	100%	Labour practices criteria are included in the Supply Chain Sustainability Code of Conduct and the questionnaire. The questionnaire covers the main areas of sustainability related risk and asks for evidence on how those risks are managed. All suppliers undergo the self-audit to be eligible to be on our Approved Vendor List
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Yes	No grievances were reported in 2016.
<b>HUMAN RIGHTS</b>			
<b>DMA</b>		<b>Non-discrimination</b>	
G4-HR3	Total number of incidents of discrimination and corrective actions taken	Yes	There were no cases of sexual harassment reported in the Fleet or office.
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	Yes	There were no cases of forced or compulsory labour in 2016. SPO will operationalise Modern Day Slavery Act in 2017.
<b>DMA</b>		<b>Human Rights Grievance Mechanisms</b>	
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	Yes	There were no grievances about human rights impacts filed in 2016.

SOCIETY			
<b>DMA</b>	<b>Local Communities</b>		
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Yes	See "Our Communities" section of the report. SPO invests in our key stakeholder communities due to the global nature of our operations. A number of Corporate Philanthropic projects are being implemented in various geographic locations with numerous employee engagement activities. <i>p56-64</i>
<b>DMA</b>	<b>Anti-corruption</b>		
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	Yes	SPO's Corporate Code of Conduct is a comprehensive governance document that sets out rules on how SPO employees must behave in the course of carrying out their duties. One of the areas covered by the Code is anti-corruption. The Code together with internal controls set a strong foundation to prevent any corruption related incidents. The Company carries out anti-corruption/anti-bribery training and testing for employees within the group. 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. For more information see "Anti-corruption, anti-trust and monopoly practices" sub-section of the "Governance" section of the report. <i>p17</i>
G4-SO4	Communication and training on anti-corruption policies and procedures	Yes	For more information see "Anti-corruption, anti-trust and monopoly practices" sub-section of the "Governance" section of the report. <i>p17</i>
G4-SO5	Confirmed incidents of corruption and actions taken	Yes	There were no incidents of corruption reported in 2016.
<b>DMA</b>	<b>Anti-competitive Behaviour</b>		
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Yes	There were no incidents of anti-competitive behaviour reported in 2016.
<b>DMA</b>	<b>Compliance</b>		
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Yes	There were no non-compliance with laws or regulations.
PRODUCT RESPONSIBILITY			
<b>DMA</b>	<b>Customer Health and Safety</b>		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Yes	Please see "Safety" section of the report for more information. <i>p32-34</i> As a professional operating entity, we are committed to providing the highest level of Safety Management to any project to ensure that all levels of safety awareness are adequately addressed. The end product is based on the SPO Safety Management System, with input from the Client on project-specific HSSE requirements.

## Annexe on Endangered Species

Total number of IUCN Red List species and National Conservation List species with habitats in areas affected by operations, by level of extinction risk.

Location: **Chaco-Pantanal**

	Red List	National Conservation List Centro de Datos para la conservacion
<b>Flora</b>		
· Critically endangered	0	· Critically endangered 4
· Endangered	0	· Endangered 9
· Vulnerable	2	· Threatened 45
· Near threatened	2	
<b>Fauna</b>		
<i>Birds</i>		
· Critically endangered	0	<i>based on Red List</i> · Critically endangered 1
· Endangered	2	· Endangered 2
· Vulnerable	0	· Vulnerable 3
· Near threatened	7	· Near threatened 7
<i>Mammals</i>		
· Critically endangered	0	· Critically endangered 1
· Endangered	2	· Endangered 5
· Vulnerable	3	· Vulnerable 7
· Near threatened	11	· Near threatened
<b>TOTAL</b>	<b>29</b>	<b>TOTAL 84</b>

Location: **San Rafael**

	Red List	National Conservation List
<b>Flora</b>		
· Critically endangered		· Critically endangered 8
· Endangered	3	· Endangered 4
· Vulnerable	1	· Vulnerable 1
· Near threatened		· Near threatened
<b>Fauna</b>		
<i>Birds</i>		
· Critically endangered		· Critically endangered 1
· Endangered	2	· Endangered 19
· Vulnerable	10	· Vulnerable 52
· Near threatened		· Near threatened
<i>Mammals</i>		
· Critically endangered		· Critically endangered
· Endangered		· Endangered 1
· Vulnerable	5	· Vulnerable 3
· Near threatened		· Near threatened
<b>TOTAL</b>	<b>21</b>	<b>TOTAL 89</b>

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## Request for feedback

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

## Contact Details

Thank you for reading this report

**Simon Bennett**

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