



SWIRE PACIFIC OFFSHORE

Supplier Corporate, Social and Environmental Responsibility Code of Conduct (version 05/2010)

Swire Pacific Offshore (SPO) has worked worldwide for 35 years and is strongly committed to operating ethically, prudently, responsibly and safely, whilst at the same time acting in a proactive manner towards maintaining and enhancing our environment and its biodiversity, now and for the future.

We recognise that firmly embracing Corporate Social Responsibility (CSR) is an integral and indivisible part of our reputation and brand, and positively taking responsibility for all our business activities is an important part of this. We will only have a successful and sustainable business if the suppliers with whom we work display similar standards. Success means not just technical compliance with necessary laws and regulations, but going beyond and setting standards that are expected of an industry leader.

Swire Pacific Offshore actively seeks to select and work with suppliers who share its commitment to honesty and integrity in all areas of their business. SPO also actively seeks to select and work with suppliers who integrate CSR policies into all their business processes. Such policies should cover the areas including the environment, occupational health and safety, human rights, labour practices and business ethics. Suppliers to Swire Pacific Offshore should proactively provide clear, accurate and appropriate reporting of their progress toward achieving their social policy objectives.

Swire Pacific Offshore is committed to select and retain qualified suppliers that meet this Supplier Code of Conduct, according to the following core standards:

Legal and Regulatory Compliance

Suppliers shall ensure their operations and the products and services supplied to Swire Pacific Offshore comply with all national and other applicable laws and regulations.

Forced Labour

Suppliers must not use forced labour in any form – prison, indentured, bonded or otherwise.

Child Labour

Suppliers must not employ any person below the local legal minimum age, or below the age of 16, unless the person is employed as part of a recognised professional apprenticeship programme.

Compensation and Working Hours

Suppliers must provide each employee at least the local legal minimum wage and benefits. Suppliers must pay their employees promptly, providing each with clear, written accounting for every pay period. Wages should be paid regularly, on time and be fair in respect of work performance. Payment should not be made more than one month in arrears and deduction should not be made from employees' pay for disciplinary reasons or to compensate the employer for providing safer work conditions. Working time periods must not exceed the legal limit, and should be modified where relevant to reflect any particular hazards or risks of the work being done. Overtime work should always be voluntary and properly compensated.

Employees should be granted their stipulated annual leave and sick leave without any repercussions, and should be able to take their stipulated maternity or paternity leave in accordance with national and local laws.

Discrimination and Rights

All conditions of employment must be based on an individual's ability to do the job, and never on the basis of personal characteristics or beliefs. Suppliers shall not discriminate on the basis of race, colour, national or ethnic origin, gender, sexual orientation, religion, disability, age, cultural background, social group, marital status, family status or political opinion, and other similar factors.

Employees shall be treated with dignity and respect. This should be achieved by providing a workplace free from threats of violence or any forms of sexual, psychological or verbal abuse or harassment.

Swire Pacific Offshore does not require suppliers' employees to be members of a worker's association or union, but does require that its suppliers respect employees' rights to associate with any group and bargain collectively if they so wish and as permitted by the local conditions and laws of their own country. Penalties should not be used to interfere with such legitimate activities.

Environment

We all have a responsibility to look after the natural environment both for today and in the future. All stages in the Supplier's supply chain shall comply with, and preferably exceed, applicable national and legal environmental requirements. Swire Pacific Offshore will have a strong preference for Suppliers who publicly report upon and measure their environmental impact and seek to improve the impact of their operations upon the environment, such as by conserving natural resources and energy consumption and reducing waste.

We will have a strong preference to select suppliers whose goods or services can make a significant difference to reducing SPO's environmental impact, and maximise the avoidance of the use of hazardous substances.

Health and Safety

Suppliers must have in place health and safety policies, equipment, conditions, standards and procedures which are designed to reduce work-related injury and illness, and promote the general health of employees. These policies, working conditions and necessary equipment must be actively made freely available to employees.

Subcontractors and other Service Providers

The supplier should have its own supplier “Social Responsibility Code of Conduct” similar to this code. If, in order to provide their own goods and services, the supplier has a substantial reliance on subcontractors and other service providers, then the supplier should encourage them to comply with a CSR Code of Conduct similar to its Code also. Such a Code should be integrated within the Supplier’s business process in order to better select and manage the performance of the subcontractors and other service providers. Subcontractors should be paid accurately, and in timely manner in accordance with contractual agreements.

Documentation and Inspection

Suppliers must maintain records of all relevant documentation required to demonstrate compliance with this Code of Conduct and required laws, and where requested should agree to make these documents available for Swire Pacific Offshore or its designated monitor. Where appropriate and with a courtesy notice period suppliers may be asked to permit site inspections for verification purposes.

Ethics

Suppliers must be committed to attain the highest standards of moral and ethical conduct in their business. All forms of corruption, extortion, fraud and bribery must be prohibited, including those for the Supplier’s own benefit or for the benefit of their relations, friends or associates.

The Code of Conduct may be amended from time to time. The most current version of the Code of Conduct will be available on line at www.swire.com.sg

Suppliers are responsible for communicating the requirements of the Swire Pacific Offshore Supplier Code of Conduct standards to their employees, and the Code should be made freely available to employees in their local language and in a readily accessible place.