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1. MAIN OBJECTIVES

Solstad Offshore ASA (Solstad or Company) relies on being trusted and enjoying a good reputation. Customers, suppliers, associates, bankers, insurers, government authorities and competitors - as well as the Company's own staff – should be able to rely on the Company's professionalism and integrity. This requires Solstad, as an organization, to conduct its affairs with due care, honesty and objectivity in addition to comply with relevant laws, regulations and standards.

European Commission defines Corporate Social Responsibility (CSR) as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders (meaning those who are affected by a business operation) on a voluntary basis.

In practice, the term refer to a wide range of actions that companies may take, or set of values companies may follow. The range can be from human and labour rights, social and environmental concerns to corruption, all having effects on a company's employees and/or stakeholders. A company's profile and reputation, and its professionalism and integrity are assumed to strongly co-relate with the actions or values elected and implemented.

The nature of the Solstad business will be to maximize performance and increase our operational agility, when combining plural aspects and sides of our operations. In addition, to enjoy a high level of trust, it is important that the behavior of individual employees fosters trust and transparency. The Company aims to establish its own internal awareness document according to our activities and the philosophy adopted by owners, directors and management.

Such a document, or guidelines, will necessarily be of a general nature in a corporation as diverse as Solstad. Nevertheless, the Company tries to be as specific as possible without intending the guidelines to provide an answer to any conceivable dilemma. Any matter or situation which is not covered by the CSR guidelines, or which gives rise to doubt, must be raised with the relevant superior.

Among others this CSR document is based on our core values, which are:

SAFETY
PERFORMANCE
FLEXIBLE & RELIABLE
HANDS ON
COMPETENCE
WE CARE
CUSTOMER FOCUSED

Our core values have been developed and implemented in consultation with our employees and are recognized in our daily operations.

2. SCOPE

Solstad aims to be a social responsible operator and partner wherever the Company do business. CSR activity in Solstad will be rooted in each office, vessel and department, closely tied up to our management system named Solstad Integrated Management System (SIMS). Hence references to processes in SIMS is included in the below.



The final CSR document will bridge all Company CSR activities and evaluate usefulness based on guidelines, principles, processes, standards and results. A process has been started to map where the Company is today – and at the same time set goals for the future. Solstad aim to take this work forward step by step.

This document will be revised as the work is progressing, with the intention of touching fundamental CSR topics like human rights, labour rights, social concern, environmental and climate issues, corruption and bribery.

3. ACCOUNTABILITY AND ASSESSMENT

3.1 Human rights

Human rights are the basic rights to which all human beings are entitled and can be divided into two broad categories. The first being equality before the law and freedom of expression. The second category concerns economic, social and cultural issues.

Through the endorsement by the UN Human Rights Council on 16 June 2011 of the Guiding Principles for the Implementation of the ‘Protect, Respect and Remedy’ Framework, the topic received fresh impetus in international fora. Further UN has developed a guideline related to “Business and Human Rights”. The full report can be found following this link:

http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

The report defines what companies should address to avoid negative impacts on human rights when performing their business. The EU encourages and contributes to implementation of these guiding principles.

3.1.1 General guidelines

Solstad supports international human rights as laid down in the UN and other international organizations. No one shall in any way infringe or violate human rights, or compromise on health and safety. Solstad as an employer also acknowledge as its most important object to continue focusing on health and safety in the workplace, and to prevent injury or damage to personnel with a goal of zero injuries.

3.1.2 Processes

As part of its management system Solstad has a set of guidelines in the Code of Conduct PMAN-OBPO-0022

3.1.3 Status

The Code of Conduct forms part of the Company’s objectives and policies, and is implemented to ensure active compliance with ethical standards and international human rights.

3.2 Labour rights

A labour standard has been developed by UN and has been called the “UN Global Compact Principles” This document lists 10 principles covering Human rights (2), Environment (3), Anti-Corruption (1) and Labour rights (4). The latter includes topics like rights to collective bargaining, elimination of all forms of forced and compulsory labour, abolition of child labour and the elimination of discrimination in respect of employment and occupation.



Maritime Labour Convention 2006 (MLC 2006) is an international labour Convention adopted by the International Labour Organization (ILO). The MLC 2006, also known as the “seafarers’ bill of rights”, which is providing international standards for the maritime industry, was adopted by government, employer and workers representatives at a special ILO International Labour Conference in February 2006 – see: http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO::P12100_ILO_CODE:C186

MLC 2006 is mandatory to the majority of vessels operating in international water. It is unique in that it aims both to achieve decent working conditions for seafarers and to secure economic interests through fair competition for ship owners.

3.2.1 General guidelines

Solstad values its employees and will continue to provide and promote high standard of working conditions for Solstad employees. Further, our policy will be based on following and respecting national and international agreements and standards.

3.2.2 Processes

Our management system includes a set of policies and processes related to labour rights, examples being code of conduct and inductions of employees to MLC 2006.

3.2.3 Status

Solstad has been in compliance with MLC2006 since the required number of nations ratified the agreement in August 2013. Further Solstad has implemented processes with the goal to operate its business to ensure acceptable working conditions for our employees – based on national or international agreements and regulations.

3.3 Social concern

All business related activities and presence will affect both the society in general and the local communities in which the Company is operating.

3.3.1 General guidelines

We believe the highest positive effects from Solstad’s national and international activities are indirect through recruiting and training of personnel to our fleet and offices, and from ordering of new vessels and modifications/repair of existing fleet.

Direct contributions/donations of money to organizations or projects are also a part of our engagement in local communities as well as in general.

3.3.2 Processes

Management of social responsibility and sponsoring requests - Process PCOM-ADMI-0762

3.3.3 Status

Through our policies and processes for employment of people and election of sub-contractors or suppliers, we assume our activity contributes to sustainable communities where we are located, where our employees live and where our sub-contractors/suppliers have their activity.

Further Solstad donates money for various charity organizations and projects in countries where the Company operates. In 2013, many donations were allocated for organizations that work with projects for children in the countries where Solstad operates. The Philippines, received the main share of the contributions, as some of the



employees of the Company, and their relatives, were affected after the typhoon Haiyan. The Company is also supporting organizations that work with several health related issues and cancer support. Many of these organizations are well known to Solstad, and represent service and help that people very likely will need (either directly or indirectly) during our lifetime.

List of some of the organizations Solstad support can be found on the Solstad web page:

www.solstad.no/news/christmas-donations-article1066-300.html

3.4 Environmental and Climate Issues

All human beings should work and orient thoughts and actions toward a sustainable future for business in general, and particularly when it comes to protecting the environment and climate. During the last years UN has released several reports about man's activity effecting the climate of the globe. Here it is concluded that if we do not manage to reduce emissions of CO₂ and NO_x gasses the average temperature will increase and seriously effect human beings ability to survive in some areas of the word.

3.4.1 General guidelines

Addressing environmental and climate changes into our operations is a vital and important part of all Solstad operations. We aim to provide the same service as before, but work to limit the negative impact our business has to the environment, focusing on emissions, spill prevention and containment capabilities.

3.4.2 Processes

SIMS- process named Environmental and Energy Policy DMAN-OBPO-0489 outlines the environmental objectives of the Company. All Solstad Offshore employees, subcontractor employees, clients and visitors have an individual responsibility to ensure that their activities onboard our vessels have a minimal impact to the environment. .PCOM-HSEQ-0088 – Environmental Control will give information regarding some of the work being performed in Solstad.

3.4.3 Status

Solstad believe that dealing with environmental and climate issues pays off in the long run, both for the environment and the Company. In 2006, Solstad voluntary implemented the ISO 14001, a standard for environmental management. From the efficient use of resources through sustainable operations, our goal is to minimize negative environmental impact through:

- Continuously improve resource efficiency, saving energy, and reducing CO₂
- Using high technical quality and business knowledge to achieve environmental friendly solutions.
- Focusing on awareness and use of our operational processes and systems.
- Continue the work started towards a goal of zero spills from our vessels.

In 2009 Solstad began a Carbon Footprint analysis, and in 2011, the Company started to report into the Carbon Disclosure Project (CDP). For results please visit CDP at: <https://www.cdp.net/en-US/Results/Pages/responses.aspx>



Solstad Green Operations (SGO), which is a fuel saving and awareness campaign has been ongoing since 2009. In 2013 a total of 19.084 SGOs were performed, representing around 30.000 m³ of reduced fuel consumption. In same year Solstad also protected 19.000.000 m² of rainforest and bought 3.651 CO₂ quotas via the UN system.

3.5 Corruption and bribery

Corruption is the abuse of power for corporate or private gain. Examples can be bribery, (offering or accepting a bribe in money or in kind) involving officials or people in the private sector, conflict of interest, fraud, money laundering, obstruction of justice or trading in influence. Corruption undermines an organization's effectiveness and ethical reputation, and could ultimately lead to civil and administrative sanctions.

3.5.1 General guidelines

Solstad's reputation for honesty and integrity must not be put at risk by offer of improper payments in dealing with public officials, political parties or their officials or any private sector worker. Solstad employees must neither offer, promise or give any undue financial or other advantages to obtain or retain business or any improper advantage in conflict with the Solstad Code of Conduct

3.5.2 Processes

Solstad Integrated Management System (SIMS) process Code of Conduct PMAN-OBPO-0022 outlines ethical guidelines and general guidelines, which all employees need to follow.

3.5.3 Status

The Solstad Code of Conduct is guidance and helps to maintain a good credibility, reliability and integrity in all parts of our business.

Examples from the Solstad SIMS process above:

“BRIBERY PAYMENT

Solstad distances itself from all forms of corruption. Individual employees shall never offer or accept illegal money or other benefits in order to attain business-related or personal gain for themselves or others”

“GIFTS

Every employee should show caution regarding the giving/acceptance of gifts. Under no circumstances should gifts be accepted if they are designed to influence business-related decision. In disputes, the question must always be raised with the line manager”