



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2018

2.3 SUSTAINABILITY

MANAGEMENT APPROACH

Sustainability is an important value driver for SBM Offshore's business and operations. The Company aims to be the industry frontrunner on sustainability, as reflected in the Company's vision. SBM Offshore's approach to sustainability is integrated in the Company's strategy and sustainability objectives are aimed at creating value for all stakeholders.

SBM Offshore's approach is to create a competitive and commercial advantage by developing sustainable solutions that answer social issues that go beyond current rules and regulations. These solutions are being embedded in the Company's mainstream business development and operations.

To provide context for SBM Offshore's targets and performance, the Company uses the United Nations Sustainable Development Goals (SDGs) as target guidelines, and the GRI standards as the reporting standard on progress and non-financial performance. By doing so, the Company relates its most material topics and business impact to internationally agreed-to long-term goals on which the Company can transparently report. Furthermore, through reporting on performance relating to internationally acclaimed benchmarks, SBM Offshore allows stakeholders to assess its performance in a broader context.

Along with the sustainability department, the Company has Sustainability Ambassadors to lead the implementation of the sustainability strategy and embed it within the Company's ways of working. This program is founded on continuous engagement with employees.

2018 PROGRESS

In 2018, the Company identified the key performance indicators (KPIs) for three SDGs and seven corresponding sub-targets on which SBM Offshore's activities will or can have the most impact. The following table illustrates these SDGs and chosen sub-targets as well as the Company's own KPIs for each SDG. SBM Offshore has chosen to focus on alignment with a limited amount of goals per year to ensure better focus on each of them. In 2018, these were SDG 7: affordable and clean energy, SDG 8: decent work and economic growth and SDG 14: life below water (see section 2.3).

Sustainability reporting and benchmarking

- SBM Offshore commits to reporting its sustainability performance against the Global Reporting Initiative Standards in a transparent manner and reports on indicators for its sustainability policies, which reflect all the material topics.
- SBM Offshore was included in the Dow Jones Sustainability Index Europe in the category OIE Energy Equipment & Services in 2018. The Company maintained its overall ranking of third in its industry, with a percentile ranking of 85/100.
- Other external institutes such as CDP (formerly know as Carbon Disclosure Project) and De Vereniging van Beleggers voor Duurzame Ontwikkeling (VBDO) have also rated the Company, providing it with useful feedback on its performance.

Ranking of SBM Offshore in Sustainability Benchmarks

	2018	2017	Maximum Score	Ranking
CDP	B	C	A+	n/a
Dow Jones Sustainability Index (DJSI)	85 ¹	88 ¹	100	DJSI Europe

¹ Percentile ranking

FUTURE

SBM Offshore will continue to focus on stakeholders' expectations, the SDGs, and embedding sustainability into its way of working. SBM Offshore recognizes the growing expectations on businesses to contribute to the SDGs and will continue to report and perform in accordance with these and the emerging guidance on SDG reporting.



SBM OFFSHORE'S COMMITMENT TO THE SUSTAINABLE DEVELOPMENT GOALS

SDG	CHOSEN SUB-TARGET	SBM OFFSHORE AMBITION
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SUSTAINABLE DEVELOPMENT GOALS: TARGETS FOR 2019

<p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>TARGET 7-3 DOUBLE THE IMPROVEMENT IN ENERGY EFFICIENCY</p>	<p>Reduce by 20% the mass of gas flared under SBM Offshore account* (in tonnes of gas flared per thousand tonnes of hydrocarbon production)</p>	<p>Purchase 25% of total energy in offices from green energy providers</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>TARGET 8-8 PROTECT LABOUR RIGHTS AND PROMOTE SAFE WORKING ENVIRONMENTS</p>	<p>Ensure that 100% of vendors that have gone through the revised qualification process signed the Supply Chain charter</p>	<p>Maintain Total Recordable Injury Frequency Rate below 0.29</p>
<p>14 LIFE BELOW WATER</p>	<p>TARGET 14-1 REDUCE MARINE POLLUTION</p>	<p>Reduce offshore plastic waste by 40% (in tonnes)</p>	<p>Ensure that 100% of our offices have a recycling program</p> <p>Volume of oil spills: 0 m³</p>

*SBM Offshore account is flaring resulting from unplanned events (section 5.2.2.)

POST 2019: ADDITIONAL SUSTAINABLE DEVELOPMENT GOALS

<p>3 GOOD HEALTH AND WELL-BEING</p>	<p>TARGET 3-4 REDUCE MORTALITY FROM NON-COMMUNICABLE DISEASES AND PROMOTE MENTAL HEALTH</p>	<p>Reduce health problems among employees</p>
<p>4 QUALITY EDUCATION</p>	<p>TARGET 4-4 INCREASE THE NUMBER OF PEOPLE WITH RELEVANT SKILLS FOR FINANCIAL SUCCESS</p>	<p>People development</p>
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>TARGET 9-4 UPGRADE ALL INDUSTRIES AND INFRASTRUCTURES FOR SUSTAINABILITY</p>	<p>Reduce CO₂ emissions</p>
<p>13 CLIMATE ACTION</p>	<p>TARGET 13-2 INTEGRATE CLIMATE CHANGE MEASURES INTO POLICIES AND PLANNING</p>	<p>Incentive to non-carbon projects</p>