



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2018

2 STRATEGY AND PERFORMANCE

Performance measurements:

- 38 Frame Agreements signed .
- Global Supply Chain Vendor Day in Rotterdam, the Netherlands.
- Three Steering committee meetings organized with strategic vendors.
- 492 vendors qualified under revised qualification process since 2017, of which 99.4% signed Supply Chain Charter.

FUTURE

SBM Offshore plans to finalize the vendor qualification campaign and finalize implementation of the outsourcing of this service, so as to allow the Company to put the focus on vendor performance monitoring. The Company also intends to pursue Supply Chain development in China by qualifying more vendors and ensuring efficient and timely support is provided to the projects' local supply chain activities.

SBM Offshore also intends to implement a long-term strategy, allowing the Company to accommodate future growth through:

- Embedding the Fast4Ward™ principles into the Supply Chain function.
- Working in integrated teams to better benefit from Lessons Learned.
- Increasing flexibility by pursuing the subcontracting of post-order management activities (such as expediting, inspection and vendor documentation review).
- Supporting synergies across projects on key equipment, with the early involvement of the Strategic Sourcing team.

2.12 HUMAN RIGHTS

SBM Offshore is committed to respecting internationally-recognized human rights standards. These fundamental rights contribute to the general well-being of the communities in which SBM Offshore operates. The Company can potentially have an impact on local communities in countries where it executes long-term Lease and Operate contracts offshore, as well as through its supply chain and construction activities.

MANAGEMENT APPROACH

SBM Offshore's Code of Conduct sets the Company's standard with regards to human rights. In the

development of the Code of Conduct, the Company referred to principles described in the:

- Universal Declaration of Human Rights (UDHR)
- United Nations Guiding Principles for Business and Human Rights (UNGP)
- International Labor Organization core conventions related to human rights

The Company's well-established values of Integrity, Care, Entrepreneurship and Ownership are reflected in SBM Offshore's approach towards human rights. SBM Offshore's global business operations cover a wide range of activities. Supported by its Code of Conduct and Supply Chain Charter, the Company works with the supply chain function to notify vendors within its supply chain of the Company's expectations towards human rights, as well as the anti-corruption policy (available on the website: <https://www.sbmoffshore.com/who-we-are/our-ethics/anti-corruption/>).

2018 PERFORMANCE

Key achievements

- Supply Chain Charter signed (see section 2.11).
- SBM Offshore joined Building Responsibly, a group of leading engineering and construction companies working together to raise the bar in promoting the rights and welfare of workers across the industry.
- In 2018, SBM Offshore created a new position within the Sustainability Department to focus on human rights and to facilitate their development and integration within Company operations.
- Human rights was the topic of a Life Day workshop, which helped increase the education and awareness on the topic of human rights across the Company.
- Specific sub-target set related to the human rights and commitment to SDG 8: decent work and economic growth.

FUTURE

SBM Offshore plans to further improve on its human rights commitments by developing a specific policy and program dedicated to upholding them. The Company intends to build on existing human rights processes and procedures and further embed human rights into its ways of working. It plans to support worker rights and the ten workers welfare principles from Building Responsibly.



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