



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2018

5 NON-FINANCIAL DATA

5.1 SCOPE OF NON-FINANCIAL INFORMATION

5.1.1 REPORTING ABOUT NON-FINANCIAL INFORMATION

This report has been prepared in accordance with the GRI standards: Core option. The Company has used the GRI Standards to determine material aspects for this year's report. For SBM Offshore, 'transparency, trust and reputation' are material topics and therefore we have assurance on non-financial as well as financial information. To obtain assurance on the reliability of information presented to its stakeholders, SBM Offshore has asked our auditors PwC to provide limited assurance on our non-financial information.

5.1.2 MATERIALITY METHODOLOGY

SBM Offshore conducts materiality analysis according to the GRI Standards in order to include the topics in the Annual Report that can reasonably be considered important for reflecting the organization's economic, environmental, and social impacts, or influencing the decisions of stakeholders.

UPDATE MATERIAL TOPICS

SBM Offshore conducted the following steps to assess the material topics in order to ensure the Report contains the level of information required by stakeholders.

- Step 1: Update the list of potential material topics
- Step 2: Stakeholder engagement survey
- Step 3: Analysis of operating environment
- Step 4: Validation in Management Board meeting

For the material (important) topics of 2018 the Company chose to align material topics with the strategic pillars and SBM Offshore's values.

Compared to 2017, there are no new material topics in 2018, however, the names of several topics have been updated in the materiality matrix to better correspond to the Company's terminology and management structure.

2018 MATERIAL TOPICS

The results of the materiality assessment can be found in the materiality matrix, which can be found in section 1.7 Materiality-based Value Creation. Details on how the matrix corresponds to GRI and reporting boundaries can be found in section 1.7. General

standard disclosure and aspects of lower priority are included in the GRI Content Index.

5.1.3 STAKEHOLDER ENGAGEMENT

IDENTIFYING AND SELECTING OF STAKEHOLDERS

To shape stakeholder engagement, SBM Offshore identified key stakeholders by mapping the level of influence on and level of interest in the Company. The main stakeholders are the Company's employees, shareholders, the investor community, clients, business partners and suppliers. Other important stakeholders are lenders, export credit agencies, governments in operating areas, non-governmental organizations (NGOs), oil and gas industry associations, universities, researchers and potential investors. Throughout the year SBM Offshore engages with these stakeholders on a continuous basis as part of regular operations and captures that information.

Internally, SBM Offshore organizes regular Town Hall meetings where top management share business updates and establish a dialogue with staff, including participation in worldwide Company events such as Life Day. SBM Offshore also regularly shares information and updates on strategies, projects and people with its employees through the Company's intranet site and via its internal monthly newsletter.

The Company maintains open and active engagement with its external stakeholders through regular business interactions, including the annual shareholders meeting, analyst and investor road shows/meetings, a Capital Markets Day for financial analysts, analyst webcast presentations, Press Releases, Website updates, surveys and desktop research.

The feedback obtained forms the backbone of the Company's stakeholder engagement program. The program is complemented by other interactions with stakeholders, in order to validate findings and the feedback received feeds into management's approach to Materiality and long-term value creation.

SBM OFFSHORE VALUES YOUR OPINION

SBM Offshore would like to know more about which economic, social and environmental issues are important to its stakeholders.

Would you like to participate in SBM Offshore's 2018 Stakeholder Engagement or provide feedback for the 2019 Stakeholder Engagement? Please write to us at sustainability@sbmoffshore.com.

5.2 REPORTING BOUNDARIES

SBM Offshore not only reports on impacts it causes, but also on impacts it contributes to, and impacts that are linked to its activities. In each of the following paragraphs we elaborate in detail on the boundaries of our material topics. The boundary of a material topic relates to the parts of the organization and supply chain covered in the figures.

5.2.1 HEALTH, SAFETY AND SECURITY REPORTING

The Health, Safety and Security (HSS) performance indicators boundaries take into account:

- Employees which include all direct hires, part-time employees, locally-hired agency staff ('direct contractors') in the fabrication sites, offices and offshore workers, i.e. all people working for the Company
- Contractors which include any person employed by a contractor or contractor's subcontractor(s) who is directly involved in execution of prescribed work under a contract with SBM Offshore.

HSS incidents are reported and managed through the Company's Single Reporting System (SRS) database. SRS is a web-based reporting system that is used to collect data on all incidents occurring in all locations where the Company operates. The SRS system records safety, environmental, security incidents, loss of containments, equipment failure and damage only incidents.

Safety incidents are reported based on the incident classifications as defined by the IOGP Report 2017 – June 2018. Health incidents are reported based on the occupational illnesses classification given in IOGP Report Number 393 – 2007.

The Company also reports incident data from contractor's construction facilities if the incident is related to an SBM Offshore project.

The Company uses records of exposure hours and SRS data to calculate Health and Safety performance indicators set by SBM Offshore.

5.2.2 ENVIRONMENTAL REPORTING

OFFSHORE

The environmental and process safety offshore performance reporting scope is comprised of offshore units that use the following reporting boundaries:

- Units in the Company's fleet producing and/or storing hydrocarbons under Lease and Operate contracts in 2018
- Units in which the Company exercises full operational management control
- Units in which the Company has full ownership or units that are jointly owned and where the Company has at least 50% ownership

The environmental and process safety performance of the Company is reported by region or management area: Brazil, Angola, North America & Equatorial Guinea and Asia. Based on the criteria stated above, SBM Offshore reports on the environmental performance for the following 13 units:

- Brazil – *FPSO Espirito Santo*, *FPSO Capixaba*, *FPSO Cidade de Paraty*, *FPSO Cidade de Anchieta*, *FPSO Cidade de Ilhabela*, *FPSO Cidade de Marica*, *FPSO Cidade de Saquarema*
- Angola – *FPSO Mondo*, *FPSO Saxi Batuque* and *N'Goma FPSO*
- North America & Equatorial Guinea – *FPSO Aseng* and *MOPU Deep Panuke* (cessation of gas production in May)
- Asia – *FSO Yetagun* (terminated operations in April)

The environmental offshore performance reporting methodology was chosen according to the performance indicators relative to GRI Standards and IOGP guidelines. This includes:

- Greenhouse Gases, referred to as GHG which are N₂O (Nitrous Oxide), CH₄ (Methane) and CO₂ (Carbon Dioxide)
- GHG emissions per hydrocarbon production from flaring and energy generation
- Non Greenhouse Gases which are CO (Carbon Monoxide), NO_x (Nitrogen Oxides), SO₂ (Sulphur Dioxide) and VOCs (Volatile Organic Compounds)
- Gas flared per hydrocarbon production, including gas flared on SBM Offshore account
- Energy consumption per hydrocarbon production
- Oil in Produced Water per hydrocarbon production