



SBM Offshore Sustainability Strategy

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1. Introduction

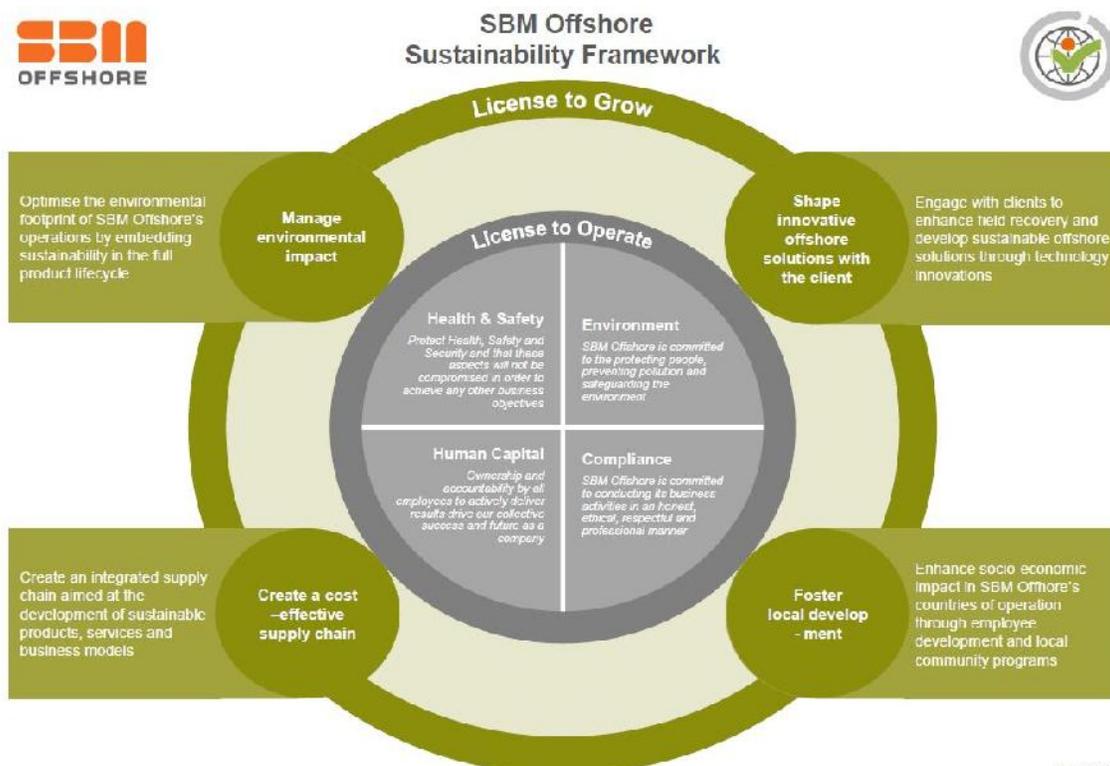
“SBM Offshore aims to be the industry frontrunner on sustainability as reflected in the Company’s vision. To achieve this ambition, SBM Offshore continuously strives to promote sustainability awareness, develop talent within the company and incorporate ethics and integrity in all its activities. Sustainable development is an important growth driver for SBM Offshore’s business and operations. It distinguishes its sustainability policies between ‘license to operate’ and ‘license to grow.’”

Sebastiaan de Ronde Bresser - Group Sustainability Director

SBM Offshore believes in doing business that benefits clients, employees, shareholders and society in general. SBM Offshore considers this to be its fundamental **‘License to Operate’** and is well embedded in the Group’s operations and functions and plays an essential part in its continuous improvement programs.

Carrying the Company beyond compliance, SBM Offshore believes that sustainability creates its **‘License to Grow’** and will provide the Company with a competitive edge for future business. The Company’s ambition is to fully integrate sustainability into its business proposition and to create a balanced economic, social and environmental value model in all of the countries in which it operates.

SBM Offshore, together with its stakeholders, has performed a materiality analysis to identify four themes and objectives critical for sustainable growth as summarised in the Sustainability Framework. The Company’s ambition is central in the framework, supported by key principles of ethics, integrity, compliance, safety, health and quality. Together with an overall focus on creating awareness and talent, these guiding principles are core to the License to Operate and Grow.





2. Key Figures



Five Year Key Sustainability Figures

	2014	2013	2012	2011	2010
HSS					
LTIFR	0.05	0.15	0.06	0.10	0.07
TRIFR	0.22	0.44	0.38	0.50	0.37
Fatalities work related	2	0	0	0	0
Total consolidated million man-hours SBM Offshore	64.02	56.64	43.64	36.15	42.26
Environment					
CO2 Emissions from Offshore Operations in millions of tonnes	3.835	4.155	3.580	1.923 (1)	2.076 (1)
Onshore Electricity Usage in kWh	10,245,272	11,019,711	11,071,310	11,059,868	10,339,123
Onshore CO2 emissions in tonnes	3,861	4,073	4,346	4,347	4,063
Human Resources (2)					
Total Employees (including Construction Yards)	10,215	9,936	7,493	6,220	5,758
Contract / Permanent Ratio	19%	22%	21%	25%	29%
Total Permanent Employees (including Construction Yards)	8,234	8,358	5,893	4,655	4,114
Total Contractors (including Construction Yards)	1,981	1,578	1,600	1,565	1,644
Total percentage of Females in Permanent Workforce	16%	24%	20%	21%	22%
% of Part-time Workforce	3%	3%	2%	3%	3%
% of Part-time Females	75%	75%	70%	61%	62%
% of Part-time Males	25%	25%	30%	39%	38%
Employee Turnover Rate (2)					
Turnover Rate	13.6%	13.8%	11.7%	11.9%	10.1%
Resignation	7.9%	10.1%	8.2%	8.1%	6.6%
Dismissal	4.2%	3.7%	3.6%	3.1%	2.7%
Retirement	0.3%	0.4%	0.5%	0.3%	0.7%
Fatalities non work related	0.1%	0.1%	0.1%	0.1%	0.0%
Appraisals					
Performance Appraisals Completed	96%	90%	84%	92%	96%
Competency Training Indicators					
Offshore Training Hours per Eligible Employee	66	95	47	55	41
Onshore Training Hours per Eligible Employee	30	28	21	18	28

(1) Excludes flaring

(2) Does not include Construction Yards except if specified otherwise.

(3) PricewaterhouseCoopers Accountants N.V. has provided limited assurance on the HSSE data reported for the years 2010 until 2013 based on a separate report on selected key sustainability indicators prepared by SBM Offshore



3. License to Operate

SBM Offshore believes in doing business that benefits clients, employees, shareholders and society in general. SBM Offshore considers this to be its fundamental 'License to Operate' and is well embedded in the Group's operations and functions and plays an essential part in its continuous improvement programs.

Compliance

SBM Offshore will comply with all applicable laws and regulations as well as the requirements from the classification societies and flag states that apply to the design and operation of SBM products and systems. The Company will also ensure that a professional management system is installed and implemented, including continuous maintenance and raise of regulatory awareness at all levels throughout the company. SBM Offshore activities imply that the Company is subject to law and regulations in the field of governance and general business law and regulations, but also to law and regulations in the field of environmental protection, human health and safety and general labour law and regulations.

The Company continues to enhance its Corporate Compliance Programme under the leadership of the CGCO – a position created in 2012. Now that a culture of transparency and ownership has been instilled at the very core of the organisation, management's objective going forward is to move from a rules-driven approach to a values-driven approach. SBM Offshore's Core Values and Code of Conduct set out the overall principles and rules for expected behaviour from the Company's employees and various business partners, such as within its joint ventures and the supply chain. The compliance programme and organisation enables reasonable oversight and control by the Company of all elements of the Code of Conduct.

"SBM Offshore is committed to conducting its business activities in an open and transparent manner. Learning from its legacies, the company has used the extensive remedial actions in place since 2012 as the foundation to develop an ethics and compliance programme that aspires to become a leading example in the industry. The commitment to conducting its business activities in an honest, ethical, respectful and professional manner constitutes the DNA of SBM's culture and is essential to its license to operate and reputation. This commitment continues at every opportunity to cascade down from top management."

Mirjam Bakker - Group Compliance Director

Health, Safety, Security and Environment

SBM Offshore implements Health, Safety, Security and Environmental requirements designed to comply with applicable legislation and to achieve continuous performance improvement. The Company sets objectives and targets, measures, reviews and reports on its HSSE performance. The SBM organization is geared to protect Health, Safety, Security and the Environment and that these aspects will not be compromised in order to achieve any other business objectives.

SBM Offshore has several environmental aspects to be recognized, being the consumption of energy and water, emissions of Greenhouse Gas and other air emissions like NOx and SOx, and disposal of waste. As the Company operates in the Oil & Gas sector there are several other environmental aspects we take



care of, being emissions due to flaring and venting, prevention of oil spills and preservation of water ecosystems.

"SBM Offshore has always had its eye firmly on the safety ball and, as the industry evolves, safety remains the backbone of the company's activities. As oil and gas exploration goes deeper and clients' needs become more complex this puts the playing field in a constant state of flux. Our HSSE policies and practices evolve in tandem with the industry. This year we have focused on strengthening leadership in HSSE and our HSSE culture. Our success relies on the engagement of every employee - which is why we launched this year the company-wide Life 365 programme. As part of that the first global Life Day initiative involved almost 10,000 people across the globe standing down for one day to focus on safety."

Erik van Kuijk - Group HSSE Director

Human Resources

SBM Offshore is ultimately defined by the capabilities of its people. The Company encourages an environment of excellence and ambition within which each employee can maximize his/her skills. In conducting its business activities, SBM Offshore strives to maintain an employment policy focusing on ethics, transparency and equity. The Company wants to promote equal opportunities and social responsibility in order to cultivate a diverse, multi-cultural and respectful workforce whose principal drivers are entrepreneurialism, team energy and pride.

SBM Offshore's global talent strategy is of a great importance as it underpins all activities. It adds value by understanding where the business is going and linking human capital requirements to deliver the business results for the short and long term. To strengthen its talent strategy, the Company has performed an external best-in-class benchmark across talent acquisition, development, deployment and retention practices. In the benchmark, SBM Offshore needs were identified in order to attract and select the best talent, develop overall employee capability, and develop successors to the Company's key leadership roles. Well thought out methodologies and effectively trained leaders will increase SBM Offshore's competitive edge in securing its global talent pipeline.

"Ownership and accountability by all employees to actively deliver results drive our collective success and future as a company. In light of current challenges our performance is a key factor for sustainable success. Key drivers to improve our ways of working were set in place in 2014 allowing us to begin transitioning to an organisation that is more entrepreneurial, results oriented and client focused for future success. Recognition, development and advancement of high performing, high potential employees within the Group will be an important enabler in the forthcoming period of change. Individual work needs to be aligned with the overall strategy to ensure we work as one, perform and shape our future."

Richard Demblon - Group HR Director

Tax Policy

SBM Offshore operates in a global context, with global competitors, global clients, global suppliers and a global workforce. Some three quarters of the Company's activities - measured by revenue - consist of large project developments, each project costing typically between US\$0.5 and US\$2.0 billion. A typical Floating, Production, Storage and Offloading (FPSO) project sees a hull conversion in Asia, topsides construction in Asia, Africa and South America, engineering in Europe, Asia or the USA and large scale procurement from dozens of companies in as many countries across the globe. In each of these countries



the Company complies with local regulations, and pays direct and indirect taxes on local value added, labour and profits, and in some cases pays a revenue based tax.

SBM Offshore complies with the OECD guidelines regarding transfer pricing and assessment against the OECD Base Erosion Profit Shifting principles, and specifically the country-by-country reporting which fits into the increased tax transparency approach already adopted by the Company. SBM Offshore makes use of the availability of international tax treaties to avoid double taxation and does not use intellectual property as a means to shift profits, nor does it use digital sales. Furthermore, the Company does not apply aggressive intra-company financing structures such as hybrids. The Company treats tax as a cost, which needs to be managed and optimised in order to compete effectively in the global competitive arena.

“As a responsible corporate citizen, SBM Offshore is legally and morally committed to its tax obligations. The Company is sensitive to public perception - the mindset is changing and SBM wants to be sure that our footprint goes beyond our legal obligations. For SBM to be perceived as a responsible taxpayer in all jurisdictions of operation is an objective. While at the same time, the Company is committed to deliver value to its shareholders and employees. As such, SBM Offshore’s tax policy has at its core the dual objectives to uphold these principles.”
Philippe Baffreau - Group Tax Director



4. License to Grow

License to grow requires SBM Offshore to look above and beyond the rules and regulations, to grow its business in a sustainable manner, while creating a competitive edge and in parallel maintaining a healthy balance in the environmental, social and economic impact of its activities. The elements in the license to grow have been newly developed this year and in 2015 the Company will start the implementation of its new policies.

4.1 Shape Innovative Offshore Solutions with the Client

Engage with clients to enhance field recovery and develop sustainable offshore solutions through technology innovations

SBM Offshore strives to be client focused and works together with its clients on its sustainability efforts. The Company focuses on providing services from or on the FPSO, which improve production recovery and/or reduce overall costs for the operator. Solutions focus on the complete lifecycle of the oil and gas field including liaising with drilling and subsea activities, which are not directly in the Company's scope; lower carbon footprint solutions to help offset potential costs (e.g. taxation on greenhouse gas emissions) and which could improve marginal field economics.

Decommissioning, demobilisation and consequent disposal of the FPSO have an effect on the environment and society, and needs to be managed whilst minimising the impact. Together with its partners, SBM Offshore is currently working on decommissioning two vessels. The execution of these decommissioning contracts will be analysed with the intention to identify further sustainable options for future contracts.

Decommissioning policy

SBM Offshore has developed a policy on decommissioning that aims to recycle safely and environmentally responsible all vessels and structures at the end of their useful life. The Company adheres not only to applicable laws, rules and regulations, but also to international guidelines such as the *International Convention for the Safe and Environmentally Sound Recycling of Ships* (the 'Hong Kong Convention') of the *International Maritime Organization* of the United Nations. SBM Offshore will discuss with all joint venture partners involved its aim to minimise the social impact and environmental footprint related to all recycling activities at the end of life.

The world is seeking cleaner energy to reduce carbon emissions and this is reflected in the huge growth in demand for LNG as a fuel. LNG is considered to be a more sustainable energy resource than oil and currently stranded offshore gas fields are being commercialised by enabling FLNG technology. In the last years the technology for floating LNG has steadily matured. SBM Offshore is already involved in supplying mooring systems for floating LNG vessels. The Company's ambition is to progress into the full lease & operate of midscale FLNG, in the same way that we do for FPSOs. Drawing on the experience from the global FPSO fleet, SBM Offshore has developed its own solution, called the mid-scale FLNG Twin Hull concept. The intention is to measure the environmental and social impact of using a FLNG solution compared to traditional oil producing FPSOs, to support sustainability claims.



FLNG Technology

"We can transfer the knowledge and experience we have on FPSOs to FLNG, for SBM Offshore it is a natural evolution."

Michael Wyllie - Group Technology Director

It is a natural evolution for SBM Offshore to transfer the knowledge and experience on FPSO design, construction, operations and maintenance to Floating LNG. SBM Offshore is partnering with others to cover the specific gaps in technical expertise and with the different market of long term offtake contracts. SBM Offshore is ready to step into the growing FLNG market where it sees a number of exciting prospects. In terms of local development, SBM Offshore sees FLNG as a way to offer development opportunities in areas where there is no oil, but significant gas reserves offshore to be developed. SBM Offshore will be able to rely on its local content track record, and hope to replicate the local infrastructure projects in new areas, as the Company has done in countries such as Angola and Brazil and contributes to sound national development driven by FLNG.

Renewable Energy

SBM Offshore, with its extensive experience of offshore systems, is pursuing initiatives to leverage its in-house expertise and has developed renewables technology with several R&D programmes for alternative energy. Wave energy is deemed to be the most important source of marine renewable energy (before offshore wind, tidal and Ocean Thermal Energy Conversions), however it is also the most difficult to capture. SBM Offshore has developed a breakthrough technology with the design of a Wave Energy Converter (WEC). The WEC works with electro-active polymers (EAP) that convert energy from waves directly to electricity without any mechanical moving parts. During the last few years SBM Offshore has made steady progress, both in the overall system design and in the performance of the EAP material. In the past year the Company achieved the step-change in performance which was required to move into the commercialisation phase. The Company is now exploring ways to bring this technology to the market.

4.2 Foster Local Development

Enhance socio-economic impact in SBM Offshore's countries of operation through employee development and local community programs

SBM Offshore has a long tradition of working with developing countries that are keen to explore the use of their natural resources to stimulate national economic development. Alignment of business and national interests by way of structuring investments can offer the host country maximum benefit and opportunities to leverage from in the longer term. In doing so SBM Offshore focusses beyond local content requirements to contribute to sustained national and local development. The lease and operate contracting structure provides possibilities for shared ownership and joint ventures including investments in project construction and development, thereby addressing and supporting national economic development. Practical applications include local supply bases, interests in local construction yards and training of national employees. All this require close contact and dialogue with relevant stakeholders.

Within SBM Offshore, HR is a business partner for the organisation. Part of fulfilling this role is empowering and enabling the local business to be able to deliver to clients while creating a positive



impact on local development. The Company is currently implementing the SBM Education Centre in local development areas for SBM Offshore employees. The concept of the SBM Education Centre is developed in order to address not only the development of local professional and management staff.

SBM Education Centre

"We want to become an exporter of local talent instead of an importer of expatriate skills."
Richard Demblon - Group Human Resources Director

All initiatives of the Education Centre are focused on creating local employment and fostering talent, such as local graduate recruiting, development of non-management high potentials, training local communities in the yards and engaging in local partnerships. Local skills could be further leveraged, which will reduce our dependency on the import of expats.

SBM Offshore is currently implementing local management talent development programmes. The aim is to increase the percentage of local professional and management staff, while maintaining a high level of vocational training for local employees.

Angola, Training and Stakeholder engagement

Training Facilities at the Paenal yard in Angola

In parallel with the construction activities, a dedicated school was established at the yard to educate local nationals employed in the technical skills required at Paenal. Training was undertaken by experienced personnel specially brought in to transfer their expertise and now the trainers themselves are Angolan nationals. To date, over 600 workers from the Kwansa Sul region have received training to ensure a first-rate service. On a broader scale, SBM Offshore has helped to contribute to the knowledge base of Angola's oil and gas industry and complements the formal education gained by students at Angola's National Petroleum Institute (INP) in nearby Sumbe.

The Future Generation in Porto Amboim

Concern and awareness for the needs of the local community of Porto Amboim is of great importance to the management at Paenal. When the local school was found to be unsafe and in a severe state of disrepair, Paenal immediately committed to building from scratch a brand new building with educational facilities that could accommodate 350 local children, with the support of partner companies in the area. As the town of Porto Amboim continues to prosper, more families will arrive in the area to take advantage of the employment opportunities and the need for properly equipped and safe schools will increase.

By performing socio-economic impact assessments SBM Offshore measures and demonstrates the value it creates in terms of social, environmental and economic impact on the local society. The assessments will be based on a sound and transparent methodology in which stakeholder opinions will be included. The results will be discussed with local stakeholders with the aim to jointly define improvement plans.



In 2014 SBM Offshore performed the first socio-economic impact assessment in Brazil. It was a pilot to develop the methodology in which 2013 data has been used. The assessment included the construction activities at the Brasa yard, the project execution at the office in Rio de Janeiro and the operations of the fleet of SBM Offshore FPSOs offshore Brazil.

The assessment is based on an internationally recognized methodology that distinguishes between:

Direct impacts: Refer to all impacts directly controlled such as job hires, salaries and taxes paid, purchasing of raw materials, supplies and subcontracting, and goods and services produced.

Indirect impacts: SBM's purchases, in turn, create demand for its suppliers and subcontractors to purchase other goods and services from their own suppliers, stimulating other economic sectors of the supply chain. These indirect impacts will also generate wages and jobs in other economic sectors.

Induced impacts: Lastly, income generated through payroll by: SBM, its suppliers, its subcontractors, and other companies in the supply chain, increases household consumption. This consumption creates increases in production and thus employment in other economic sectors, constituting what is commonly called induced impacts on employment.

48,221 jobs generated in Brazil

- 4,211 Direct jobs created at Brasa yard, SBM Offshore offices and operations
- 30,616 Indirect jobs generated throughout the Brazilian supply chain (including contractors)
- 13,394 Induced jobs generated in Brazilian economy due to increased household spending

The analysis has taken into account the effect on jobs in all sectors in the economy, including informal jobs.

US\$ 775 million added value to Brazil production

- US\$ 465 mln Direct production by SBM Offshore activities
- US\$ 310 mln Indirect production generated in other sectors of the Brazilian economy

US\$ 258 million in Brazilian wages and benefits related to SBM Offshore activities

- US\$ 123 mln Direct wages and benefits paid by the entities included in the assessment
- US\$ 135 mln Indirect wages and benefits generated in other sectors of the Brazilian economy

US\$ 23 million Brazilian tax income related to SBM Offshore activities

- US\$ 15 mln Direct taxes paid by the entities included in the assessment
- US\$ 8 mln Indirect taxes generated in other sectors of the Brazilian economy



Details of the assessment show that the town of Niteroi, where the Brasa yard is located, is benefitting less than expected from the positive impacts on jobs and wages. SBM Offshore decided to invest more in the local community of Niteroi and has made a partnership with one of its Welding Equipment Suppliers (ITW) and the Rio de Janeiro Industry Federation (Firjan) to develop a welding school. This school will serve not only to improve the quality of BRASA workers but also to train people from the proximities, opening job opportunities for them that were not accessible previously.



4.3 Cost-effective Supply Chain

Creation of an integrated supply chain aimed at the development of sustainable products, services and business models

Embarking on the journey 20 years ago, SBM Offshore has a history of assessing the direct impact of its actions, such as safety in operations and the reduction of emissions, long before it became an issue for the industry. The Company continues its forward thinking by addressing the issue of sustainability within the supply chain. Beginning the process with awareness for the topic within the Company and among its stakeholders, the aim is to engage the voluntary participation of the Company's vendors by adopting this philosophy and implementing it in the future. SBM Offshore will seek discussion on concepts such as circular supply chains and building on the experiences that it already has with refurbishment of equipment. The Company aims to have an integrated supply chain that is aligned to the set goals on HSSE and that will in future combine the commercial edge with the sustainability edge.

Integrated Supply Chain

"We aim to have an integrated supply chain that is prepared for our future perspective which will combine the commercial edge with the sustainability edge."

Bernard van Leggelo - Group Executive Managing Director

SBM Offshore has recently developed and implemented a Supply Chain Sustainability Charter. This charter looks to suppliers and construction yards to voluntarily commit to continuous improvement in social and environmental performance and full adherence to SBM Offshore's ethics standard as per Code of Conduct.

SBM Offshore engages with key equipment suppliers to develop a circular equipment supply profile. Today, SBM Offshore works with some suppliers in refurbishment of certain key components of its topsides. The intention is to further develop the concept of circularity with all suppliers and create circular business models.

SBM Offshore has a local supply base and is looking for ways to further strengthen it by investing in the development of local skills through training and by encouraging local vendors to meet SBM Offshore (sustainability) standards. This will allow local vendors to increase their capacity and expand their business with the benefits being captured by the local economy and population.



4.4 Manage environmental impact

Optimise the environmental footprint of SBM Offshore's operations by embedding sustainability in the full product lifecycle

For SBM Offshore, managing environmental impact goes beyond compliance to environmental protection, and refers to environmentally friendly innovations in operations of FPSOs. The Company sees clients' behaviour directed by environmental considerations. SBM Offshore operation's environmental footprint goes hand in hand with good operating practice, for example the efficient running of gas injection compressors or oil in water treatment plants.

Long term perspective

"We believe that managing our environmental impact will help us to be more cost effective in the long term and helps us to gain credibility in communities where SBM Offshore operates."

Peter Senkbeil - Managing Director Operations.

SBM Offshore has implemented initiatives to reduce its environmental impact caused by flaring, spills, GHG emissions and energy consumption. The Company intends to go a step further and is developing a standard for the environmental footprint of FPSOs in operation, by establishing a baseline for environmental performance of its existing fleet. The baseline is the first step in developing an environmental standard, which will cover the full spectrum of both offshore operations as well as onshore support from the shore base. The environmental standard will not only set the standard for new FPSOs, but will also allow benchmarking of existing FPSOs' performance and indicate options for improvements.

In SBM Offshore's Regional Centres, construction yards and offices, focus will be on managing environmental impacts by reducing waste, energy consumption, transportation and travel. An additional aim of this activity is to raise sustainability awareness with employees to actively incorporate sustainability in their daily work.

SBM Offshore already has several sustainable and eco design options for FPSO operations that are discussed with clients. These options will be incorporated in its proposals to enable clients to make a choice regarding the level of environmental and social impact of the FPSO over its lifecycle. In its offerings SBM Offshore will compare a base case FPSO, which is compliant with client specification, with a solution that reduces the environmental and/or social impact. The options can be related to the construction, operations and/or decommissioning phase and will include data to support the sustainability claim.

Sustainable technology and operations

One of the examples where operational efficiency goes hand in hand with sustainability is SBM Offshore's effort to reduce flaring during the start of production. Regularly there is a period of three to seven months at the start of production where gas compressors need to get optimised and flaring is needed. In the case of FPSO Cidade de Paraty, SBM Offshore limited the period with flaring to less than two months.



5. Stakeholder Engagement and Materiality

Stakeholder engagement

SBM Offshore is fully aware that it has an impact on many stakeholders, that all have different expectations towards the Company. To shape stakeholder engagement SBM Offshore identified key stakeholders by mapping the level of influence on and level of interest in the Company.

Main stakeholders are its employees, shareholders, the investor community, clients, business partners, export credit agencies and suppliers. Other important stakeholders are lenders, governments in operating areas, Oil & Gas industry associations, NGOs, universities and researchers and potential investors.

The Company strives for internal and external stakeholder engagement. The Company hosts Town Hall sessions where employees can interact and learn about the Company's objectives and strategy relevant to their Execution Centre. The Company hosts one-on-one stakeholder engagement interviews with clients, peers, NGOs and suppliers. Through these interviews the Company seeks to understand its clients' expectations, identify areas for improvement and create long term relationships with the focus on sustainable development.

Throughout the year, SBM Offshore employed a range of methods to engage with its stakeholders, such as meetings, interviews, conferences, surveys, technology days, investor roadshows, press releases, website updates and desktop research. Some stakeholders were asked to elaborate on several topics, such as SBM Offshore's added value to society at large and relevant sustainability themes for the Company. Stakeholders were also invited to reflect on SBM Offshore's corporate strategy and performance and their information needs. Valuable input was captured from the responses, which was used in determining the material topics.

Moreover, SBM Offshore Management Board organises several stakeholder engagement activities throughout the year, of which a few are mentioned here. Each year there is a Capital Markets Day in which its shareholders and financial analysts are invited for a two day session in which the Management Board shares and discusses detailed insights into the Company strategies, performance and outlook. The Management Board hosts Town Hall sessions where employees can interact and learn about the objectives and strategy relevant to their Regional Centre. And there are Technology Days with clients where SBM Offshore presents its newest offshore solutions and sustainable innovations. The Company also addresses shareholders face-to-face during the AGM, at investor meetings, by analyst webcast presentations and via conference calls.



Materiality

In 2014, SBM Offshore conducted a materiality assessment to focus its strategy and policies and to report on the activities that matter most to the Company and its stakeholders. Both the stakeholder engagement and materiality process were supported by EY experts.

A list of potential material topics based on GRI aspects, desk research on industry topics and a peer review were compiled and further cross-checked with internal and external stakeholders before a short-list was discussed and finalised with SBM Offshore's Management Board and Executive Committee for integration into the company's sustainability strategy framework.

Organization

Embedding sustainability as a way of working in SBM Offshore is founded on continuous engagement with its employees via special events in all locations and through Company-wide communications. In addition, reporting on successful sustainable initiatives, charity projects and donations will improve awareness and further encourage engagement. For this purpose and with the support of Odyssey 24 transformation program, Sustainability processes have been created and represent one of the 19 key processes, with which SBM Offshore runs its business.

A community of employees promoting sustainability principles within the company has been initiated with "champions" taking on sustainability roles alongside their regular jobs. At a management level, the Chief Governance and Compliance Officer is responsible for the sustainability strategy with implementation under responsibility of the Group Sustainability Director. In Brazil, a country based Sustainability Manager was appointed this year to focus on the Brazilian activities – including the Brasa shipyard – and to increase their local impact.

Sustainability reporting and benchmarks

SBM Offshore commits to reporting its sustainability performance in a transparent manner and will identify indicators for its sustainability policies that reflect all the material topics within this chapter. The introduction of the Global Reporting Initiative (GRI) G4 reporting standard in 2014 will improve the Company's reporting and will demonstrate that its financial and non-financial performance creates shared value.

SBM Offshore's sustainability performance continues to improve and it has been included in the Dow Jones Sustainability Index World (DJSI) index for the fifth consecutive year. Other external institutes such as the Carbon Disclosure Project (CDP), De Vereniging van Beleggers voor Duurzame Ontwikkeling (VBDO) and the Dutch Transparency Benchmark of the Ministry of Economic Affairs of The Netherlands have also rated the Company, providing it with useful feedback on its performance.