

## SBM Offshore

### Modern Slavery Statement 2020

#### Introduction

This statement is made on behalf of SBM Offshore N.V. and its subsidiaries (together referred to as the “Company” or “SBM Offshore”) and sets out the steps taken by the Company during 2020 to seek to prevent modern slavery from taking place within SBM Offshore or its supply chains. SBM Offshore provides floating production solutions to the offshore energy industry, over the full product lifecycle. The Company is market-leading in leased floating production systems, with multiple units currently in operation worldwide, and has a unique breadth of operational experience in this field.

SBM Offshore performs services all over the world. More details can be found at: <https://www.sbmoffshore.com/who-we-are/company-profile/>

#### SBM Offshore Business and Supply Chain

The Company’s main activities are the design, supply, installation, operation and life extension of Floating Production Systems. These are either owned and operated by SBM Offshore and leased to its clients on a long or short-term basis or supplied on a turnkey-sale basis. Additionally, as part of SBM Offshore's commitment to supporting the energy transition, the Company has been leveraging its floating offshore expertise to develop solutions for renewable energy.

SBM Offshore’s supply chain represents a substantial part of the execution strategy and total costs of constructing a Floating Production System. In line with its Fast4Ward® principles, the Company fosters an integrated supply chain, partnering with suppliers to develop efficient delivery of equipment and services.

SBM Offshore has a very large and complex supply chain, comprising of more than 1 500 direct suppliers and many sub-suppliers.

#### Our values and policies relating to modern slavery

SBM Offshore is committed to respecting human rights and conducting business in accordance with the United Nations Guiding Principles for Business and Human Rights (UNGPs). SBM Offshore human rights commitments are embedded in our corporate values, SBM Offshore’s Code of Conduct, SBM Offshore Policy on Health Safety, Security and Environment (HSSE), Human Rights and Process Safety and SBM Offshore Human Rights Standards. These documents set out the human rights commitments and principles to be upheld by our employees, suppliers and partners.

Human Rights targets and performance are integrated into the Company’s adoption of the United Nations Sustainable Development Goals (SDGs). The Company identified SDG #8 Decent Work and Economic Growth as one of the seven SDGs that are most material to its business. SBM Offshore is also committed to adhere to Guidelines for Multinational Enterprises (MNE) of the Organization for Economic Co-operation and Development (OECD) for which the human rights are an important element.

SBM Offshore’s Code of Conduct expresses our general expectations to our suppliers and business partners to comply with applicable laws and respect internationally-recognized human rights. This includes not using forced or child labor or demanding that our employees work excessive hours.

In 2020, the SBM Offshore published its Human Rights Standards. These standards reflect international best practice and internationally-recognized human rights legislation, including UN and International Labour Organization (ILO) Conventions, UNGPs and Building Responsibly’s Worker Welfare Principles. The Standards outline our commitment to human rights and address the issues which are most salient to SBM Offshore, including modern slavery. With its Human Rights Standards, SBM Offshore is seeking to

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target the following key identified risks related to modern slavery: (1) no child and forced labor (including no human trafficking), (2) ethical recruitment practices, (3) fair working hours & wages, and (4) working & living conditions.

SBM Offshore is an active member of 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. As a member of Building Responsibly, SBM Offshore has integrated the ten-worker welfare principles within SBM Offshore activities and throughout its supply chain. The Company requires that all Suppliers sign SBM Offshore's Supply Chain Charter as part of the supplier qualification process, which includes clauses related to Building Responsibly's worker welfare principles.

### **Risk**

SBM Offshore performed its first human rights risk assessment in 2019 to determine the greatest human rights risks to the Company, based on risk to people as well as risk to business. The assessment, which was updated in 2020, allowed us to determine the most salient human rights risks to our business based on internal interviews, external expert advice and in-depth human rights assessments performed at our major subcontracting yards for our Floating Production Systems. All these risks are included in a company-wide tool for continuous risk identification, assessment, registration and reporting. Human Rights risks are regularly updated with findings from further human rights assessments or follow-ups. The tool also tracks mitigation results of the prevention measures.

Modern slavery risks with employees of SBM Offshore are perceived to be low but still warrant monitoring to ensure risks are addressed correctly. SBM Offshore human rights risk assessments highlighted the need to focus first and foremost on construction yards subcontracted for execution of Floating Production Systems projects, any decommissioning activities and our supply chain. Construction and decommissioning activities are characterized by difficult working conditions, subcontracting of work and a complex supply chain.

### **Due Diligence Processes**

SBM Offshore carefully monitors and performs necessary due diligence on its third parties and special attention is granted to the selection of its subcontractors for its construction activities and for decommissioning work. As part of its due diligence activities, SBM has completed four in-depth human rights assessments on major subcontracting yards including two assessments in 2020 in Asia. These assessments are developed through engagement with management, interviews with workers and subcontractors, and involve collaboration with the yards in defining the relevant action plans to address findings and strive for commitment and implementation. The yards human rights' assessments focus on specific human rights issues relevant to execution of construction activities including modern slavery issues related to recruitment fees, wages and working hours, as well as living conditions.

Due to the size and complexity of its supply chain network, identifying and managing human rights risks remain a challenge for SBM Offshore. To identify and address human rights issues within the supply chain, SBM Offshore has adopted a risk-based approach to prioritize its efforts. In 2020, SBM Offshore added enhanced human rights screening to its vendor qualification process, screening 100% of identified key vendors.

The Company has also included the SBM Offshore Human Rights Standards as a new provision in its contracts with vendors for new projects. The new provisions require vendors to comply with Human Rights Standards, identify human rights breaches within their own activities and provide remedial actions when and where required. The Company may also choose to terminate the contract if the incidents are sufficiently serious or remedial actions are not forthcoming.

Despite the challenges due to COVID-19, the Company was able to monitor human rights and the condition of migrant workers at some of its contracting yards through remote engagement and by relying on the capacity of its local presence. In specific locations, SBM Offshore liaised remotely with yard management to ensure that workers were being treated properly including ensuring access to medical treatment, food, and timely payment of wages. The Company also scheduled calls directly with the workers themselves to

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ensure that their basic needs were being met. However due to travel restrictions related to COVID-19, the Company experienced some delays with execution of dedicated yard actions plans to prevent and remediate identified human rights issues.

### **Effectiveness and Performance Management**

To ensure proper governance and performance management on human rights including modern slavery and human trafficking, SBM Offshore formed a human rights Steering Committee ('Steering Committee'). The Steering Committee, comprised of Management Board and Executive Committee members, ensures that the right level of attention, engagement and access to remedy is achieved through regular meetings to discuss pertinent topics. The Steering Committee met seven times in 2020 and covered issues from engagement on worker welfare in China, treatment of migrant workers, to approval of SBM Offshore Human Rights Standards. The Steering Committee oversees and provides guidance on the implementation of the human rights program at SBM Offshore. The Steering Committee also serves to oversee the investigations of any serious breaches of human rights, take action and ensure suitable remedy is provided.

SBM Offshore measures the effectiveness of its human rights program by several means.

- Signature of SBM Offshore Supply Chain Charter by vendors (99.4% all vendors who underwent the Vendor Qualification Process signed the Supply Chain Charter)
- 2 human rights yard assessments completed in 2020
- Ongoing worker welfare action plans at fabrication yards
- Human rights' Screening of strategic vendors (100 % of key vendor sample responding)
- Number of incidents related to human rights reported via the Integrity Line (0 incidents in 2020)

SBM Offshore has a grievance mechanism in place to report actual or potential violations of its Code of Conduct, including modern slavery. The dedicated reporting line can be used both internally or externally by its suppliers, contractors and business partners. To date, SBM Offshore has received no reports of concerns regarding modern slavery or human trafficking in its activities, including supply chain, through the dedicated reporting line. The Company investigates reported concerns as per the SBM Offshore Integrity Reporting Policy. SBM Offshore will implement a remediation plan to address any confirmed violation of its Code of Conduct.

### **Results of Pilot on human rights**

SBM Offshore, in collaboration with a client and fabrication yard, participated in a pilot for a new way to identify potential negative impacts on workers' human rights related to yard and supplier conduct. The pilot moved away from traditional audits to worker dialogue-focused reviews. The pilot, completed in 2020, confirmed that the efforts taken by the yard had resulted in return of passports, tighter control of working hours and a strengthened recruitment due diligence process which has significantly reduced worker paid recruitment fees for newly recruited workers compared to 2018. SBM has since adopted this worker-focused approach in its own engagement with other yards.

### **Training**

All SBM Offshore employees are required to undertake training on the Company's Code of Conduct and associated Risk and Compliance policies through eLearning and through virtual sessions, which are risk-based and tailored for the specific audiences. The e-Learning participation is registered and completion is reported in our Annual Report.

- Employee training on code of conduct (3,671 of people trained)
- Compliance training conducted in 2020 (1,812 face to face training; 5,568 e-learning)
- Training on human rights risks through dedicated seminar

### **Future Plans**

SBM Offshore has made all reasonable endeavors to address modern slavery issues within the Company and its supply chain and will continue to identify and address issues using a risk-based approach in 2021.

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Overall, SBM Offshore has made significant progress in 2020 by defining the most salient human rights and modern slavery issues relevant to its business and interaction with suppliers and partners in the publication of its Standards. This is achieved by cascading down its commitment to its supply chain and by carrying out assessments for identification of risks and mitigation measures required to comply with SBM Offshore Human Rights Standards. Notwithstanding this progress, the Company is continuously improving and maturing its approach to human rights and combating modern slavery. A number of steps have been identified for 2021 (e.g. screening of vendors supporting the Company's Operations and expanded training on modern slavery) to further reinforce its approach. As the program develops, SBM Offshore will provide further updates to this statement on an annual basis.

The information presented in the statement has been prepared in accordance with the requirements of the UK Modern Slavery Act 2015 and associated regulations. The signing has been delegated to the CEO of SBM Offshore

Signature:



Bruno Chabas

*[to be published on [www.sbmoffshore.com](http://www.sbmoffshore.com)]*

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## Appendix 1 – MS Statement 2020

Single Buoy Moorings (UK) Limited

Guyana Deep Water UK Limited

Guyana Deep Water Operations UK Limited together with its subsidiary Guyana Deep Water Operations Inc.