

SBM Offshore

Supply Chain Charter

Introduction

At SBM Offshore, we believe the oceans will provide the world with safe, sustainable and affordable energy for generations to come. We share our experience to realise this vision. Our business is underpinned by our core values of Care, Integrity, Ownership and Entrepreneurship and commitments to the United Nations Sustainable Development Goals (SDG). These form the basis for this Charter for Sustainable Development for Suppliers and Contractors (“Charter”), which defines how we choose to do business and interact with our Suppliers and Contractors (“Suppliers”).

SBM Offshore therefore requests its Suppliers and their subsidiaries, to actively take part in this initiative by committing themselves to comply with the rules/principles of conduct set out in this Charter. Furthermore, SBM Offshore requests its Suppliers and their subsidiaries to commit with us to a continuous improvement approach towards all principles as set out in this Charter. SBM Offshore welcomes feedback and engagement on these principles and looks forward to learn and partner for a sustainable business.

Governance

We expect Suppliers to use a proactive approach in establishing and maintaining the standards set forth in this Charter, including the collection and evaluation of adequate and timely information, the establishment of relevant, measurable objectives and targets, and the regular monitoring and verification of their progress. This includes the implementation of proper resources and governance.

The Charter is supplementary to SBM’s Code of Conduct (“Code”). This Charter does not intend to replace the Code and in case of a conflict, the Code shall prevail.

SBM Offshore employees are expected to report violations of this Charter. Suppliers should provide their own workers with a dedicated whistleblowing mechanism where violations related to this Charter can be logged confidentially and anonymously. Alternatively, Suppliers may report concerns via SBM Offshore Speak Up Line, available at www.sbmoffshore.com.

Our Principles of Conduct

Business Integrity

1.1. Laws and regulations

Suppliers shall operate in full compliance with international, national and local laws and regulations that are applicable to their business operations and obtain all the necessary permits. International and local industry standards prevail in cases where these are more stringent than local legal requirements. International laws, regulations and standards prevail when these are more stringent than local legal requirements and/or local standards.

1.2. Free and fair competition

Suppliers must value free and fair competition throughout the world, and therefore comply with competition laws in all areas in which they operate.

1.3. Embargoes and trade law

Suppliers shall respect the applicable trade laws and restrictions as imposed by the United Nations or other national or supranational bodies or governments.

1.4. Bribery

Suppliers must refrain from any form of corruption including extortion and active or passive bribery in accordance with SBM'S Anti-Bribery and Corruption Policy available at www.sbmoffshore.com.

1.5. Gifts, Hospitality and Entertainment (GHE)

Suppliers respect that SBM Offshore employees do not give or accept any gift, hospitality, entertainment or other favour that could compromise or raise doubts about the neutrality of the decisions made by SBM Offshore or the Supplier. Suppliers are aware of and adhere to our requirements in accordance with SBM'S Anti-Bribery and -Corruption Policy (available at www.sbmoffshore.com).

1.6. Conflicts of interest

Suppliers shall disclose to SBM Offshore all available information about conflict of interest including financial interests of a SBM Offshore employee in any of Suppliers' businesses.

1.7. Confidentiality

Suppliers shall protect all confidential information provided by SBM Offshore and its respective business partners.

1.8. Transparent accounting

Suppliers' accounting records and supporting documents must show a true, fair and complete picture and reflect the nature of the underlying transactions.

1.9. Business continuity

Suppliers shall strive to maintain policies and plans that mitigate exposure to terrorism, crime, threats, pandemics, natural disasters and related major accidents.

2. Health, Safety, Security and Environment

2.1. Health and safety

With respect to health and safety, Suppliers shall implement strict policies with the aim of creating an incident and injury free work environment and prevent the occurrence of occupational illness and health problems associated with its activities. At all levels, Suppliers must play an active role in identifying and rectifying unsafe situations, and work on continuous improvement of the health situation of their employees.

2.2. Life-saving rules

SBM Offshore has adopted the IOGP Life Saving Rules (ref IOGP report 459, Aug 2018). Suppliers agree to follow SBM's Life Saving Rules and related practices where relevant and applicable:

- Bypassing Safety Controls - Obtain authorization before overriding or disabling safety controls
- Confined Space - Obtain authorization before entering a confined space
- Driving - Follow safe driving rules
- Energy Isolation - Verify isolation and zero energy before work begins
- Hot work - Control flammables and ignition sources
- Line of Fire - Keep yourself and others out of the line of fire
- Safe Mechanical Lifting - Plan lifting operations and control the area
- Work Authorization - Work with valid permit when required
- Working at Height - Protect yourself against a fall when working at height

2.3. Environmental Impact

Suppliers shall ensure and demonstrate continuous environmental improvements, including a reduction in raw material usage, energy, emissions, discharges, noise, waste and reliance on natural resources and hazardous substances by means of clear targets and improvement policies. Suppliers are encouraged to undertake positive impact initiatives in order to support/assist SBM Offshore in achieving its emissions and waste reductions objectives.

2.4. Climate Action

SBM Offshore welcomes co-operation on climate change mitigation and adaptation. Suppliers shall assess their exposure to climate change related risks and opportunities and engage with SBM Offshore accordingly. Suppliers shall support SBM Offshore in achieving its net-zero ambitions and associated emission reduction objectives.

2.5. Circularity and Waste Management

Suppliers must have in place or shall establish a procedure for the safe handling, storage, transportation, utilization and disposal of waste in accordance with the applicable legislation. Suppliers shall adopt and implement the waste management hierarchy principles i.e Avoid, Reduce, Reuse, Recycle and Dispose and propose solution for waste minimization related to the delivered goods or services.

2.6. Continuous improvement

Suppliers must continually evaluate and improve the quality of their products, working methods, production processes and services in line with established principles. Suppliers are to ensure that these changes are executed in a controlled way and are acceptable to their customers and stakeholders.

2.7. Information

Suppliers shall provide customers and the general public with clear information about the environmental and safety aspects of their products and production processes.

2.8. Emergency response

Suppliers make a reasonable and practicable effort to implement an emergency response program that addresses the most likely anticipated emergencies. Suppliers' representatives at SBM locations shall understand and comply with all emergency response procedures and required actions, as necessary.

2.9. Product stewardship

In accordance with the principles of product stewardship, Suppliers shall identify the risks and environmental impact attached to their products during the production, distribution and transportation process as well as their entire lifecycle and look for opportunities to reduce the impact of these. In this context, Suppliers must share relevant knowledge, expertise and experience with their own Suppliers, customers and other parties.

3. Social Performance

3.1. Safety and health risks for local residents

Suppliers shall systematically and regularly evaluate or shall employ the services of an external party to evaluate, the impact of their activities on local residents, for example safety aspects, emissions, and waste from regular activity. The results are to be documented and audited regularly.

3.2. Local community

Suppliers shall guarantee healthy and safe living conditions to local residents, support local job creation, local sourcing, education provisioning, and infrastructure development. SBM Offshore encourages Suppliers to engage in social impact investments aligned with the United Nations Sustainable Development Goals.

3.3. Diversity and Inclusion

SBM Offshore's Diversity and Inclusion Policy (available at www.sbmoffshore.com) applies all areas of our business with its Suppliers. As drivers of business success, diversity of thought and perspective are encouraged regardless of gender, age, ethnicity, sexual orientation, religion, disability, education, national origin or any other personal attribute.

3.4. Labour and Human Rights

We expect Suppliers to conduct business consistently with the United Nations Guiding Principles on Business and Human Rights and respect all internationally recognized human rights including those set out in the International Bill of Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work, and applicable standards of international humanitarian law and SBM Offshore's Human Rights Standards. Suppliers are expected to respect human rights and to engage their respective supply chains to do the same.

3.5. Non-discrimination

Suppliers shall not discriminate in any manner on the basis of race, ethnic background, nationality, age, religion, gender, sexual orientation or disability.

3.6. Forced labour and child labour

Suppliers shall not use forced labour or child labour; Suppliers must act in line with Convention 138 (Minimum Age) and Convention 182 (Worst Forms of Child Labour) of the International Labour Organization.

3.7. Freedom of association

Suppliers shall respect the right of their employees to freedom of association and collective bargaining.

3.8. Fair remuneration

Suppliers shall pursue a fair remuneration policy with due recognition for performance.

3.9. Working hours

Suppliers shall not force their employees to work excessive hours. In cases when employees are asked to work overtime, their extra work is to be compensated in line with local legislation.

3.10. Welfare Principles

Suppliers shall commit to acting ethically and with integrity in all their business dealings with respect to worker welfare by supporting and adopting the following Building Responsibly Worker Welfare Principles. Details and guidance on the principles can be found online.

Workers are treated with dignity, respect and fairness;

- Workers are free from forced, trafficked and child labour;
- Recruitment practices are ethical, legal, voluntary and free from discrimination;
- Freedom to change employment is respected;
- Working conditions are safe and healthy;
- Living conditions are safe, clean and habitable;
- Access to documentation and mobility is unrestricted;
- Wage and benefit agreements are respected;
- Worker representation is respected;
- Grievance mechanisms and access to remedy are readily available.

Check here to indicate that you have read and agree to commit to the Supply Chain Charter Supplier:

Supplier representative name:

Supplier representative signature:

Date: