

# SBM Offshore

## Supply Chain Charter

### Introduction

SBM Offshore's purpose is to share its experience for a better blue tomorrow. SBM Offshore believes the oceans play a fundamental role in the sustainable future of the world. As experts with a heritage of pioneering innovation, SBM Offshore has been at the forefront of deepwater ocean infrastructure capabilities for over 60 years and is committed to progress in the responsible harnessing of the oceans' resources.

SBM Offshore's core values of Integrity, Care, Collaboration, Ownership, guide every aspect of its work and are the foundations of its identity - shaping behavior, directing actions and decisions, and driving commitment in pursuit of its goals. The values recognize that achieving success in this sector is enormously complex. They also reflect the responsibility SBM Offshore has as a company, with its individual actions having a significant effect on people, the planet and the future.

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 and to SBM Offshore Code of Conduct ("the Code"), to act and conduct business ethically, lawfully and professionally in the best interests of SBM Offshore, thereby upholding its reputation and credibility. 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 and the Code. SBM Offshore welcomes feedback and engagement on these principles and looks forward to learning and being a 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 shall 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 <https://www.sbmoffshore.com/sustainability/ethics-and-compliance/>.

# Our Principles of Conduct

## 1. 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 imposed by the United Nations or other national or supranational bodies or governments. Suppliers can find more details about SBM requirements in SBM's Business Ethics Policy (available at [www.sbmoffshore.com](http://www.sbmoffshore.com)).

### 1.4. Bribery

Suppliers must refrain from any form of corruption including extortion and active or passive bribery in accordance with SBM's Business Ethics Policy (available at [www.sbmoffshore.com](http://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 favor 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 Business Ethics Policy (available at [www.sbmoffshore.com](http://www.sbmoffshore.com)).

### 1.6. Conflicts of interest

Suppliers shall disclose to SBM Offshore all available information about conflicts of interest including financial interests of a SBM Offshore employee in any of Suppliers' businesses (available at [www.sbmoffshore.com](http://www.sbmoffshore.com)).

### 1.7. Confidentiality

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

### 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. SBM Offshore has adopted a Human Factors & Performance approach on its Health & Safety management system to guide the company towards its ambition to achieve Target Excellence, which represents No Harm, No Defects, and No Leaks.

A critical part of this journey is eliminating Fatalities and Permanent Impairments (FPI). SBM Offshore has aligned its strategies with IOGP's best practices and encourages its suppliers to embed the same practices into their management systems.

### **2.2. Life-Saving Rules**

SBM Offshore recommends that the suppliers follow IOGP Life-Saving Rules (ref IOGP report 459, Aug 2018)

### **2.3. Sustainability Impact**

Suppliers shall ensure and demonstrate continuous complying SBM Offshore Sustainability Policy, including environmental improvements, such as 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 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 solutions 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 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 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. Inclusion Diversity & Equity**

SBM Offshore's Inclusion Diversity & Equity Policy (available at [www.sbmoffshore.com](http://www.sbmoffshore.com)) applies all areas of our business with its Suppliers. SBM Offshore values diversity in all forms, including gender, age, disability, ethnicity, sexual orientation, religion, education, and national origin. We have zero tolerance for discrimination, harassment, or inappropriate conduct, which forms the foundation of our Inclusion, Diversity and Equity and expect our suppliers to engage in a similar approach.

### **3.4. Labor and Human Rights**

SBM Offshore expects its Suppliers to conduct their business in alignment with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and to respect all internationally recognized human rights. This includes, but is not limited to, the rights set out in the International Bill of Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, applicable standards of international humanitarian law, and SBM Offshore's Human Rights Standards (available at [www.sbmoffshore.com](http://www.sbmoffshore.com)). Suppliers are also expected to promote these standards throughout their own supply chains processes and practices and ensure that their business partners respect human rights accordingly.

### **3.5. Non-discrimination**

Suppliers shall not discriminate against people in any manner, irrespective of their nationality, gender, ethnicity, social and legal status, race, religion, or other protected status, people are treated with dignity, respect, and fairness, and are not subject to harassment, discrimination, abuse, or inhuman or degrading treatment.

### **3.6. Forced labor and child labor**

Suppliers shall not use forced labor or child labor; Suppliers must act in line with International Labour

Organization Convention No. 138, 182 and 190. "Child Labor" is defined as work that deprives children of their childhood, their potential and their dignity and that harms their physical and mental development. Child is defined as anyone under 18 years. The convention sets the minimum age for admission to work at 15 years (13 years for light work), and 18 years for hazardous work. For further information, please visit <https://www.ilo.org/ipecc/facts/lang--en/index.htm>.

Suppliers are expected to recruit people through ethical and legal means whereby all recruitment shall be free from discrimination and all forms of involuntary labor, slavery, and human trafficking. Recruitment practices shall be ethical, legal, voluntary, free from discrimination and responsibility, including without limitation a commitment not to use prison labor or recruitment fees and a commitment to provide transparent conditions of employment for people.

### **3.7. Freedom of association**

Suppliers shall respect the right of their employees to freedom of association and collective bargaining, in accordance with local law.

### **3.8. Fair remuneration**

Suppliers shall pursue a fair remuneration for all employees that is consistent with the provisions of international standards and local labor legislation. Where they exist, this includes national minimum wages and/or minimum wages as set up in applicable collective labor agreements, and ILO standards. In all other cases, suppliers shall take a general legal compliance approach and advocate living wages.

### **3.9. Working hours**

Suppliers shall ensure that working hours comply with applicable laws, collective bargaining agreements (where applicable) and industry standards on working hours and public holidays. Suppliers shall not force their employees to work excessive hours. At a minimum, working hours shall not go beyond a level that puts people's health and safety at risk. In cases when employees are asked to work overtime, their extra work is to be compensated in line with local legislation.

### **3.10. Grievance mechanisms**

Suppliers shall put in place accessible channels to raise concerns. Suppliers are expected to cooperate in remediation through operational-level grievance mechanisms that are either established or outsourced to a third-party organization and through other grievance processes (available options such as hotlines, third-party audit officers or digital platforms to receive complaints). Supplier are expected to incorporate the UNGP (article 31) criteria of effectiveness: the grievance mechanism shall be "legitimate, accessible, predictable, equitable, rights-compatible, transparent, and based on dialogue and engagement with a view to seeking agreed solutions.

### **3.11. 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 labor.
- 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.

## Supply Chain Charter

- 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 SBM Offshore' Supply Chain Charter.

**Supplier:**

**Supplier representative name:**

**Supplier representative signature:**

**Date:**