

Annual REPORT

S&B
OFFSHORE

2015



3.4 Sustainability

Sustainability is embedded within the company with a community of employees promoting sustainability principles. At management level, the CGCO is responsible for the sustainability strategy with implementation under responsibility of GSD and Group Executives functions.

External Recognition for Sustainability at SBM Offshore

Dow Jones Sustainability World Index

For the sixth consecutive year, the Company has been selected to be part of the Dow Jones Sustainability Index (DJSI), setting a high sustainability benchmark for investor portfolios. The inclusion in the DJSI World index recognizes the Company's commitment to corporate sustainability leadership in the Oil Equipment and Services sector. SBM Offshore take pride in being one of the top performing companies selected to be part of this year's index.

Carbon Disclosure Project

The Company has participated in the CDP, formally Carbon Disclosure Project for the Benelux since 2008. The Climate Change Program assesses the quality and depth of a company's response to the annual CDP questionnaire for its internal management of data related to GreenHouse Gases (GHG) emissions and its understanding of the business-related issues that climate change presents. In 2015, 822 investors with over US\$ 95 trillion in assets backed CDP's climate change information request.

Transparantie Benchmark

The 'Transparantie Benchmark' is an initiative launched in 2004 by the Dutch Ministry of Economic Affairs, to annually assess the content and quality of corporate social responsibility reports of Dutch companies. In 2015 SBM Offshore received a score of 167 out of a possible 200 (97: 2014) moving the

company up the bench mark to 37th position (124: 2014). This increase in position of 87 places represents a great increase in position in terms of SBM Offshore's past performance.

Euronext

SBM Offshore is pleased to announce its inclusion into the **Euronext Vigeo Benelux 20** index in December 2015. This index represents the 20 most advanced companies in the Benelux region in terms of Environmental, Social and Governance performances. The index components are reviewed every six months in June and December. Companies included in this index have achieved the highest scores, as determined by the review of up to 330 indicators, assessed by Vigeo within 38 sustainability drivers.

3.4.1 HSSE at a Glance

SBM Offshore's commitment to protect people and the environment and the Company's drive to strengthen the HSSE culture and control framework can be captured in the following key objectives: 'no harm, no leaks, no shortcuts'. Good progress has been made in many areas of HSSE, with the continuation of the company wide engagement for the Life 365 program and some new initiatives started in 2015. The Company's second annual global Life Day provided opportunities for everyone working for SBM Offshore to engage on health, safety, security and the environment.

2015 HSSE Targets

In order to pursue our commitment and objectives, the following targets were set for 2015:

- Total Recordable Injury Frequency Rate to be better than 0.27 (TRIFR)
- Reduce the flaring under SBM Offshore control relative to the hydrocarbon production by 10% compared to the 2014 performance
- Reduce the number of Loss of Primary Containment incidents by 10%

3 Performance in 2015

- Achieve better environmental performance (oil in water, GHG emissions, Flaring, Energy consumption) than the 2013 IOGP industry average benchmark

Priorities throughout 2015:

- Introduction of new Safety and Process Safety Leadership programs
- Progress on the implementation of identified Process Safety Management (PSM) priorities, including process safety culture, risk analysis, asset integrity and reliability
- Continuation of integration of HSSE and PSM in the stages of the Life Cycle and align working practices with the Group Enterprise Management System
- Company wide engagement on HSSE through the 2nd Annual Life Day and the *Life 365* program.

3.4.2 Health, Safety & Security

Health and Safety

The Company has delivered a solid safety performance this year in all its business activities. Despite the significant organizational change, SBM Offshore was able to hold the safety improvement gains achieved in 2014 as The Total Recordable Injury Frequency Rate (TRIFR) remained stable (0.22 in 2015 and 2014) while the Lost Time Injury Frequency Rate (LTIFR) continued to improve compared to last year. Both indicators remained overall better than target.

Key results

Health and Safety improvements were achieved with the following 2015 targets met:

- The lowest number of injuries and lost work day cases per exposure hours (Total Recordable Injury Frequency Rate and Lost Time Injury Frequency Rate) since 2007.
- The SBM Offshore overall Total Recordable Injury Frequency Rate (TRIFR) remained identical to last year (0.22) and below the target of 0.27.

- Operations significantly improved the fleet safety performance, with only one Lost Time Injury recorded in 2015 and the Operations Total Recordable Incident Frequency Rate improved by 38% compared to 2014 (0.5 in 2015 versus 0.81 in 2014).
- Onshore projects have also improved both Lost Time Injury Frequency Rate (0.03 in 2015 compared to 0.04 in 2014) and Total Recordable Injury Frequency Rate (0.13 in 2015 compared to 0.14 in 2014).
- The Occupational Illness Frequency Rate (OIFR) remained stable compared to 2014 (0.03 versus 0.02 in 2014).
- The frequency of incidents with high potential to harm people has been reduced by 22% compared to 2014.

Key achievements

The Company continued to expand its occupational health and safety initiatives by enhancing existing programs and development of new ones including:

- Maintenance of all safety certifications on marine units and shorebases (OHSAS 18001)
- The 2015 edition of Life Day on 9 April extended to SBM Offshore joint ventures and included workshops addressing the four pillars of HSSE – Health, Safety, Security, and the Environment
- Launch of a new Safety leadership program 'Make the Difference' to raise awareness and develop competencies of senior management in effective safety leadership
- Continuation of monthly safety campaigns, with a strong focus on the Life Saving Rules
- Introduction of a Consequence Management framework
- Go-live of the HSSE control framework in the new Global Enterprise Management System (GEMS)
- Improvement in the delivery of HSSE training through an e-learning platform
- Introduction of a new platform to share HSSE information with all employees worldwide and