



OFFSHORE

ENERGY. COMMITTED.



ANNUAL REPORT 2019

2.11 HUMAN RIGHTS

MANAGEMENT APPROACH

Care, specifically care and respect for people, is one of SBM Offshore's four Values. It also means upholding human rights within the Company and throughout the supply chain. The Company's commitment is embedded in SBM Offshore's Code of Conduct, which is applicable to all employees, subcontractors and third parties. SBM Offshore expects its suppliers to comply with the Company's Supply Chain Charter, which includes respect for human rights. The Company's approach towards human rights within our business activities is informed by the Universal Declaration of Human Rights, the core conventions of the International Labour Organization and the UN Guiding Principles on Business and Human Rights (UNGPs).

Program

This year, the Company focused on strengthening the governance around implementing the UNGPs, which started with the identification of our salient issues. These main priority areas were selected based on the results of internal consultations and external input. The consultation helped us identify, calibrate and prioritize the human rights risks for SBM Offshore. The Company then detailed the human rights road map, aligned with three main pillars of the UNGPs, to guide SBM Offshore in further implementing human rights standards within the Company and throughout its Supply Chain. SBM Offshore has continued work to detail long-term objectives and plans to support SDG 8: 'Decent Work and Economic Growth', one of the seven SDGs identified by SBM Offshore for focus (see 2.3 Sustainability).

Due Diligence

SBM Offshore's human rights due diligence process has matured over 2019 and will be further developed in 2020 based on a program of assessments of the Company's operations.

Grievance Mechanism

Grievance mechanisms and other reporting channels are available to SBM Offshore employees and third parties to identify and investigate potential and actual human rights impacts and take appropriate action. For further details on the reporting mechanism and Integrity line, please see section 3.8 Compliance.

Governance

To ensure proper governance on human rights, SBM Offshore identified the need for a Human Rights Steering Committee. The right level of attention, ownership and mandate is achieved through a Steering Committee comprised of Management Board and Executive Committee members. The Steering Committee oversees and provides guidance on the implementation of the

human rights program at SBM Offshore. In addition, Human Rights Working Groups in SBM Offshore provide input on specific topics, such as risk identification and saliency analysis.

Awareness and collaborations

SBM Offshore actively promotes human rights awareness through monthly campaigns and dedicated learning sessions on specific human rights aspects. 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 Responsibility SBM Offshore has been working on the application of the ten worker welfare principles within SBM Offshore activities and through its supply chain.

2019 PERFORMANCE

Key achievements

- Of the vendors qualified under revised qualification process since 2017, 99.1% have signed Supply Chain Charter (see 2.10 Supply Chain).
- Developed Human Rights Road Map.
- Issued a Workers Welfare campaign, which provided increased visibility, strengthened understanding and awareness on the topic of human rights across the Company.
- Continued to make progress on the pilot project implementing human rights with SBM Offshore contractors and subcontractors on a fabrication yard.
- Completed human rights assessments for two fabrication yards.
- Continued commitment to Building Responsibly:
 - Updated Supply Chain Charter to include the ten Worker Welfare Principles from Building Responsibly.
 - Contributed to the development of the ten Worker Welfare Principles Guidance Notes.

FUTURE

SBM Offshore is on a journey to further detail a human rights control framework in support of its commitments, building on existing human rights processes and procedures, and to further embed human rights into its ways of working. The Company plans to continue due diligence work in 2020 at a number of business activity locations.