



EXPERIENCE **MATTERS**

2016

ANNUAL REPORT

6 NON-FINANCIAL DATA

data with 2015. The actual energy and emissions data in 2015 were approximately 9% lower than the figures reported in the Annual Report 2015.

- Increased internal controls : data consolidation and calculations have been automated resulting in the identification of inconsistencies in some of the 2015 reported environmental data. This

inconsistency was already present in the 2014 reported data hence the change does not impact the view on performance. Using the previous methodology, the following figures should have been reported in the Annual Report 2015:

| Revised Data for 2015 | 2015 Annual Report | Revised 2015 Annual Report ¹ |
|---|--------------------|---|
| Offshore energy consumption – Scope 1 (GJ) | 30,884,199 | 41,511,408 |
| Offshore energy consumption per production (GJ/T HC) | 0.92 | 1.23 |
| Nitrogen oxides (NO _x) (T) | 7,421 | 6,766 |
| Sulphur dioxides (SO ₂) (T) | 172 | 16,084 |
| Oil in produced water discharges per production (T/ 10 ⁶ T HC) | 2.92 | 2.55 |

¹ These figures do not take the new oil and gas densities into account (hence differs from the ones reported in section 6.2.2 Environment).

6.1.8 HUMAN RESOURCES REPORTING

The Company's Human Resources data cover the global workforce and are broken down into parts which are: operating units, employment type, gender and age. The performance indicators report the workforce status at year end December 31, 2016. It includes all staff who were assigned on permanent and fixed-term contracts, employee hires and departures, total number of locally-employed staff from agencies and all crew working on board the offshore operations units.

Human Resources considers:

- 'Permanent' employees as a staff member, holding a labor contract for either an unlimited or a defined period (or an offer letter for an unlimited period in the USA). Permanent employees are recorded on the payroll, directly paid by one entity of the SBM Offshore Group.
- 'Contractors' as an individual performing work for or on behalf of SBM Offshore, but not recognized as an employee under national law or practice (not part of SBM Offshore companies payroll, they issue invoices for services rendered).
- 'Subcontractors' are not considered as staff in the HR headcount breakdown structure. This population is managed as temporary service and are not covered by HR processes policies.

For reporting purposes certain performance indicators report on Construction Yard employees separately. Construction Yard employees for Human Resources reporting purposes consist of employees for yards located in Brazil and Angola. Construction Yard employees constitute a non-traditional type of SBM Offshore workforce who work in construction yards, which SBM Offshore owns and/or operates via a joint venture and could be allocated to non-SBM Offshore projects. SBM Offshore includes the Brasa Yard in Brazil and the Paenal yard in Angola in its reporting scope based on partial ownership and operational control including human resource activities and social responsibility for the employees.

Certain differences may potentially arise between the headcount numbers reported by Finance and HR. This is due to a disparity in the reporting structure of each function's data and how employees – who opted for the Voluntary Departure Scheme and are under notice period – have been reported. Turnover has been calculated as such; number of employees who have left the Company in 2016 (between January 1 and the December 31, 2016) compared with the headcount at January 1, 2016 and the number of newcomers in 2016.

PERFORMANCE REVIEWS/SKILLS MANAGEMENT/TRAINING

In order to ensure personal development and optimal management of performance within the

Company, SBM Offshore conducts annual performance reviews for all employees. Globally, the Company uses a common system to grade and evaluate all permanent staff.

A Talent Management and Succession Planning program is in place to discuss the strengths, development needs and potential future career paths of SBM Offshore employees, taking into account certain criteria and identifies those who have the potential to take on greater leadership roles today and tomorrow.

SBM Offshore reports its Human Resources data in Operational Segments, which correspond to different regions and segments of the SBM Offshore population, which is a more relevant breakdown method for SBM Offshore's stakeholders.

SBM Offshore has also chosen to disclose training information in the employee categories onshore/offshore as a relevant breakdown method for the Company's stakeholders, as these are two very different types of populations with different training needs. All employees receive regular performance and career development reviews, therefore breakdown per employee category and gender is not appropriate. SBM Offshore reports its e-learning Ethics & Compliance training activity for permanent staff only.

6.1.9 COMPLIANCE REPORTING

SBM Offshore reports on significant fines applicable to SBM Offshore and all affiliate companies.

To define a significant fine the following thresholds are considered (subject to final assessment by Management Board on a case by case basis):

1. Operational fines of a regulatory and/or administrative nature which exceed US\$ 500,000.
2. Legal and compliance fines of a criminal nature which exceed US\$ 50,000. (Related to fraud, corruption, bribery, insider trading, etc.)

Non-monetary sanctions are reported on the basis of Tier 1 regulatory incidents.