



EXPERIENCE **MATTERS**

2016

ANNUAL REPORT

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.

6 NON-FINANCIAL DATA

6.2 NON-FINANCIAL INDICATORS

6.2.1 HEALTH, SAFETY & SECURITY

Health, Safety & Security

	Year to Year		2016 – By Operating Segment	
	2016	2015	Offshore	Onshore
Exposure Hours				
Employee ¹	13,117,798	13,350,444	8,328,116	4,789,682
Contractor ²	1,516,282	18,012,789	0	1,516,282
Total Exposure hours	14,634,080	31,363,233	8,328,116	6,305,964
Fatalities (work related)				
Employee	0	0	0	0
Contractor	0	0	0	0
Total Fatalities	0	0	0	0
Injuries				
Lost Time Injury Frequency Rate Employee	0.12	0.03	0.19	0.00
Lost Time Injury Frequency Rate Contractor	0.00	0.02	0.00	0.00
Lost Time Injury Frequency Rate (Total)³	0.11	0.03	0.19	0.00
Total Recordable Injury Frequency Rate Employee	0.34	0.34	0.50	0.04
Total Recordable Injury Frequency Rate Contractor	0.13	0.13	0.00	0.13
Total Recordable Injury Frequency Rate (Total)⁴	0.31	0.22	0.50	0.06
Occupational Illnesses				
Employee	7	0	5	2
Contractor	5	4	0	5
Total recordable Occupational Illness Frequency Rate (employees only)⁵	0.11	0.00	0.12	0.08
Security				
Work-related security incidents	9	2	3	6
Work-related security incident resulting in physical harm to employees (number)	0	0	0	0

1 permanent employees, part-time employees, locally hired agency staff ("direct contractors") in the fabrication sites, offices and offshore workers, i.e. all people working for the Company

2 any person employed by a Contractor or Contractor's Sub-Contractor(s) who is directly involved in execution of prescribed work under a contract with SBM Offshore.

3 Lost time injuries per 200,000 exposure hours

4 Recordable injuries per 200,000 exposure hours

5 Occupational illnesses per 200,000 exposure hours