

Committed to operating in a safe, ethical and responsible manner

THE SAFETY AND WELLBEING OF OUR PEOPLE IS A PRIORITY

Safety is our first priority. With workplaces which are potentially hazardous it is essential that the right policies and framework are put in place, allowing our people to work in a safe way. We aim for an incident-free work place every day, everywhere and our policies are continually reviewed to ensure that this is achieved.

In 2018, a mental health resilience training programme was introduced, addressing the mental health and emotional wellbeing needs of the workforce. Ensuring our people are resilient helps keep them safer and makes Subsea 7, as an organisation, more resilient. The success of this training was recognised by the International Marine Contractors Association (IMCA), which awarded Subsea 7 the 2018 IMCA Safety Award at its annual seminar.

Subsea 7's Business Management System underpins the way in which Subsea 7 conducts safety training, reporting, procedures and assessments, which ultimately leads to the way work is carried out at our worksites. Procedures are set at Group level to ensure no matter where in the world the worksite is located, standards and the level of dedication of our people towards safety, are not compromised.

In 2018 no fatalities were recorded and key performance indicators for lost-time incident and recordable incident frequency rates reduced. We recognise that safety incidents and near misses are not acceptable and continually focus to reduce these occurrences.

DRIVING ENVIRONMENTAL SUSTAINABILITY

We have increased our focus on environmental sustainability in 2018, recognising the importance of environmental risks and opportunities to all our stakeholders. Subsea 7 takes a proactive approach to sustainability with technology and innovation programmes, such as our Pipeline Bundles and autonomous ROV programme, that reduce our own and our clients' carbon emissions. Our Environmental Management system is in full compliance and certified to the environmental management standard ISO 14001.

We manage and track key environmental data such as fuel and energy consumption, carbon emissions, waste segregation, spills and other

incidents. We monitor trends and performance and measure these against our targets. Through the Carbon Disclosure Project, we provide detailed disclosure that allows all our stakeholders to review our progress. This year's disclosure also focused on our management of climate related risks and opportunities. Subsea 7 has a comprehensive risk management system with procedures and tools that identify, analyse, report and manage business risks, including those related to environmental risks and the effects of climate change. Environmental hazard severity is measured through a points system that reflects the potential impact on the environment should an incident occur.

Over 90% of our emissions come from the use of fuel to power our vessels and our carbon dioxide emissions are therefore proportional to our activity levels. All our vessels are able to operate using low sulphur fuel and do not require any modifications for the new low sulphur limits which will be introduced in 2020. All of our vessels are enlisted in the Norwegian NOx Fund and three have NOx reducing equipment that reduce emissions by 75%.

Our Clean Operations programme ensures our vessels operate to maximise energy efficiency. A clean operation is considered an activity where a vessel's carbon footprint is reduced through activities which save energy without compromising or being in conflict with safety or project execution, an example being efficient transit speeds. Over 3,600 clean operations were recorded on our vessels in the year, reducing our carbon dioxide emissions by over 14,500 tonnes, equating to an operational cost saving of \$3.1 million.

The average age of Subsea 7's fleet has been reducing as we invest in newer, cleaner vessels and retire vessels at the end of their useful life. All end of use vessels are recycled in accordance with the Hong Kong Convention and the EU Ship Recycling Regulation. In addition we converted *Seven Viking* from conventional power to battery and diesel hybrid power, which is expected to save up to 20% of the vessel carbon emissions.

Our Renewables and Heavy Lifting business unit continues to enable clean renewable energy to enter the electricity grid. Through its experience in cost optimisation within the oil and gas industry, we are able to aid in reducing the cost of construction of these renewable

OUR 2018 KPIS

Lost-time incident frequency rate (%)

0.05

per 200,000 hours worked

Environmental spill

10.56

litres

per 200,000 hours worked

Carbon emissions

103

Tonnes of carbon dioxide (Scope 1) produced per \$1 million in revenue.

Recordable incident frequency rate (%)

0.22

per 200,000 hours worked

Environmental incident frequency rate (%)

0.64

per 200,000 hours worked

Operational cost savings due to Clean Operations programme

\$3.1m

developments. In 2018 we invested \$155 million in growing our presence in the renewable energy market with the addition of cable-lay capabilities, and we completed the balance of plant installation on the 588 megawatt Beatrice wind farm project, which achieved first energy in August 2018.

RECOGNISING AND VALUING THE STRENGTH IN DIVERSITY

We believe that everyone has the right to be treated with dignity and respect. Our policy on Equal Opportunities and Diversity in Employment ensures our people are able to work in a manner where they are free from all forms of discrimination, including harassment and bullying.

We acknowledge that diversity is key to providing a variety of creative approaches to solving complex problems. Throughout the year a number of initiatives, championed by the Executive Management Team and senior leaders, were introduced with an ultimate aim of increasing our diversity. These initiatives resulted in recommendations within four key topics: leadership commitment and action, revised recruitment and talent management processes, career support for underrepresented groups and a review of working patterns. A new Diversity and Inclusion Strategy steering committee was established in 2018 and is responsible for delivering on these topics.

Subsea 7 has offices and onshore operations facilities in 24 countries worldwide and we have 91 nationalities represented in our workforce. Our local presence and local relationships are central to our ability to deliver projects, including the provision of national content and community investment. We work together with local businesses, organisations and educational establishments to develop local supply chains and partnerships that contribute to the long-term financial growth and social progress in the places we work. In 2018 we delivered over 67 community assistance programmes and events.

COMPLIANCE, ETHICS AND INTEGRITY ARE KEY TO OUR BUSINESS

We are committed to carrying out business in an ethical manner and in compliance with applicable laws wherever we operate. Integrity is one of our Values. We aim to act fairly, honestly and with integrity at all times, and in doing so earn the trust of our clients, business partners, suppliers and other stakeholders. All employees are required to uphold the Code of Conduct, which is underpinned by an annual Compliance and Ethics e-learning campaign. In 2018 a module developed by Transparency International was used to remind employees about the damage caused by bribery and corruption, the risks faced in the energy sector, and how to comply with the Anti-Bribery/Anti-Corruption Policy.

There is a Group-wide anti-bribery and anti-corruption compliance and ethics programme, which is rooted in our Values and designed in accordance with international best practice (including the International Anti-Bribery Management System Standard ISO 37001). It includes frameworks for assessing risks and providing assurance. During 2018 we engaged an independent, external organisation to assess progress made in embedding this programme.

Subsea 7's Head of Compliance and Ethics is responsible for the design and oversight of the compliance and ethics programme, and provides reports to the Corporate Governance and Nominations Committee and to the Executive Ethics Committee. One of the key roles of the compliance and ethics function is to ensure management understands, accepts and fulfils its accountability for compliance and ethics.

RESPECTING AND UPHOLDING HUMAN RIGHTS

We are committed to treating our employees, clients, suppliers and other stakeholders fairly and with respect, and to upholding and respecting human rights. In 2018 we published a new Human Rights Policy Statement, as well as updating our Slavery and Human Trafficking Statement. Together, these documents summarise Subsea 7's commitment and efforts to improve our understanding and management of the potential human rights impacts of our business and, more specifically, to respond to the UK Modern Slavery Act.

We engage in open and constructive dialogue with our people and, if applicable, their representatives. Our people are free to join organisations of their choice that represent them, consistent with local laws. Our whistleblowing policy ensures a mechanism that enables all stakeholders to voice concerns over malpractice or illegality in a responsible and effective way, without concern of reprisal.

We are a leader in full lifecycle project delivery. This means we engage with thousands of suppliers worldwide, and our Supply Chain Management procedures include rigorous selection and appointment criteria. Approved supplier status requires pre-qualification of suppliers from a quality, safety, environment, ethics and anti-corruption perspective. All suppliers are required to comply with the Subsea 7 Code of Conduct for Suppliers, which includes commitments regarding human rights, anti-corruption, safety and the environment.

Nationality mix

46%

Europe

17%

Asia/Pacific

23%

Americas

14%

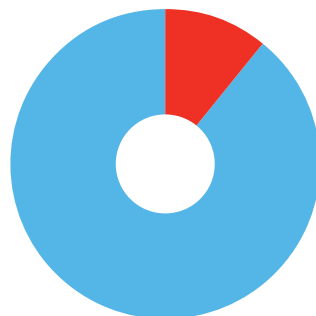
Other

Number of employees completing compliance ethics e-learning

3,989

Over 99% completion rate for targeted personnel undertaking compliance and ethics e-learning.

Gender mix at leadership level



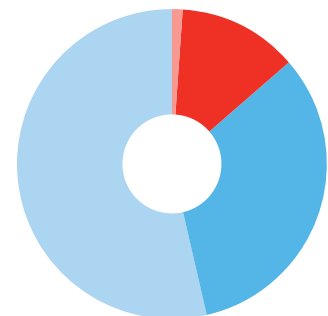
Female

11%

Male

89%

Gender mix Company wide



Offshore Female

1%

Onshore Female

12%

Onshore Male

33%

Offshore Male

54%