



2018

DOF ASA Sustainability Report

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DOF

**DOF SUSTAINABILITY REPORT 2018**

is a publication from DOF ASA.  
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**PRODUCTION TEAM**

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contributed to DOF Sustainability  
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**DISTRIBUTION**

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Quick link to latest report:  
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# 2018

## DOF SUSTAINABILITY REPORT

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### Welcome to the DOF Sustainability Report for 2018

This report has been put together with great care and DOF is proud to release its fifth stand-alone Sustainability Report. DOF is a 'values driven' company. Our values are active because they guide and build our policies, key documents and our culture. So, it is with this report, DOF's efforts and results in developing

sustainable operations are framed within our values. Not only are we committed to continuous improvement, we welcome and appreciate your feedback. If you would like to send us your views, please use the contact noted on the inside cover of this report:  
stig.clements@dox.com



# DOF - Balancing risk & opportunity in a sustainable way

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## *Our vision:*

To be a world class integrated offshore company, delivering marine services and subsea solutions responsibly, balancing risk and opportunities in a sustainable way, together, every day.

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Skandi Iceman & Skandi Vega during the Aasta Hansteen tow out for Equinor.  
Photo by Espen Roennevik & Roar Lindefjeld.



# Balancing risk & opportunity in a sustainable way

The DOF Group is a leading provider of subsea project and marine services and is present in all the major offshore regions in the world. Parent Company, DOF ASA, own and operate a modern fleet of 67 offshore vessels and, through daughter company DOF Subsea, the subsea engineering capability to provide a complete range of integrated, accessible offshore services to the global offshore energy market.

The flexible business model: the combination of an expert team, capability and assets, strong safety culture, and over 35 years' operating experience, position the DOF Group firmly within the Oil and Gas industry.

The fleet, defined by activity and vessel type, operate in three segments of the offshore market: Subsea (Subsea vessels: in combination with subsea project services), AHTS (Anchor Handling Tug Supply vessels) and PSV (Platform Supply Vessels).

As of 31 December 2018, DOF has a global workforce of approx. 3,600 employees and a fleet comprising of 67 vessels, including three vessels on management. In addition,

DOF owns a fleet of 69 ROVs (Remotely Operated Vehicles) and 2 AUVs (Autonomous Underwater Vehicle).

Safeguarding our people and the environment, wherever DOF operates in the world is our highest priority. Our actions and decisions have always been guided by and grounded in our values – Respect, Integrity, Teamwork, Excellence – and above all we are safe. In this way, we ensure we are honest, fair and equitable in all our dealings. We strive to be the leader

in the field of health, safety and working environment, deserve our reputation and continue to build our future. 🌱

## Norskan

The Brazilian OSV and marine management activities

9 vessels mainly high-end AHTS vessels

Brazilian built tonnage with local privileges and "blocking" rights

OSBX listed company sustainability report rankings were presented at an event in October 2018, where Marianne Møgster, DOF ASA Board Member and DOF Subsea AS Senior Vice President of Finance, was present as a DOF representative. Photo: BCW/Anna Vaagland

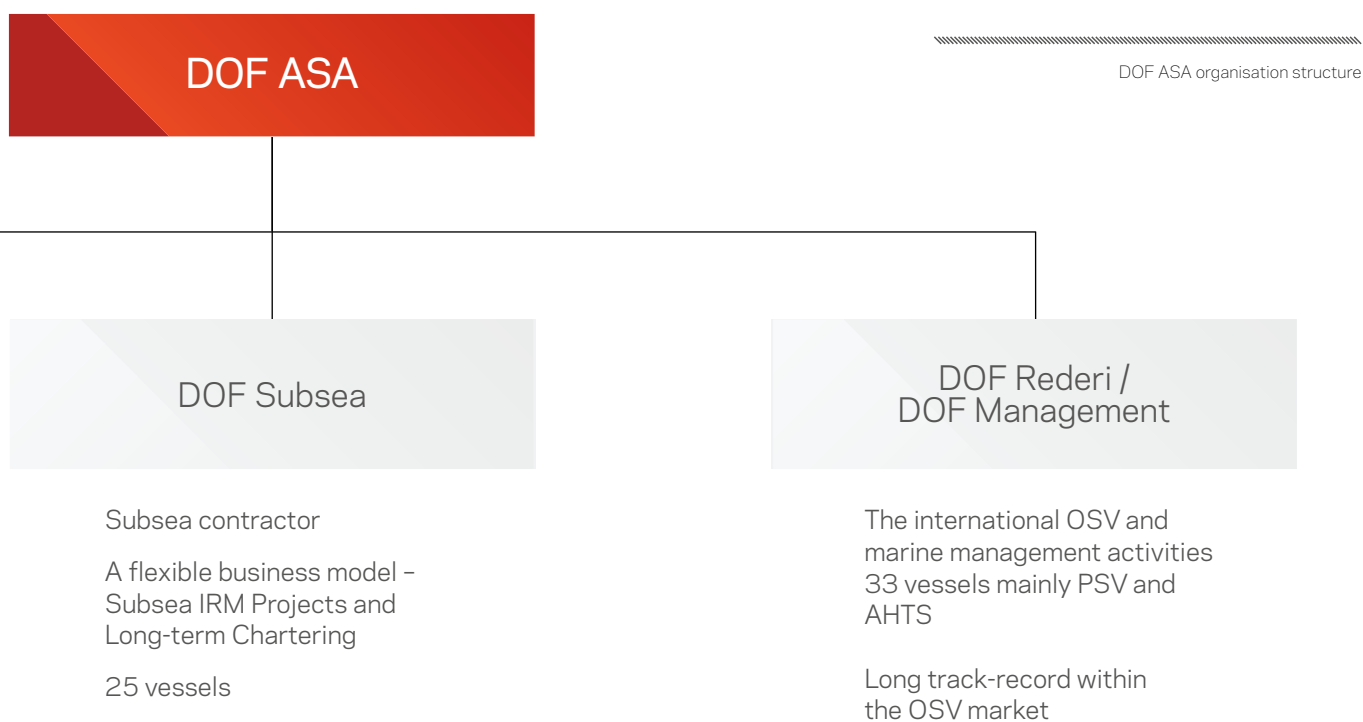


## Did you know?

In 2018, the DOF Group was recognised for efforts towards sustainability

Creating a sustainable organisation is important to the Group and it has for some years measured and managed strategic, economic, social and environmental performance in line with the Global Reporting Initiative (GRI) and published the results in the Group's Sustainability report. The report is developed according to GRI Standards: Core option.

Late in 2018, the DOF Group was recognised for our extensive efforts in capturing and communicating material aspects and sustainability activities. A review of companies listed on the Oslo Stock Exchange was conducted by an independent agency, The Governance Group (TGC), and the DOF Group achieved the 6th highest score for our activities towards sustainability.



# Our approach to sustainability

## Management letter:

2018 was another challenging year for our industry, with low offshore activity and a significant imbalance in all our markets. Even so, balancing environmental, social and economic performance is entrenched in DOF policies and practices to drive sustainable operations.

We have worked hard to improve the safety culture in our Group, and our ambition is to be an incident-free organisation. Our approach to achieve this is to strengthen DOF as a value driven organisation, with our “Safe the RITE way” program at the core. By working as a team, acting with respect and integrity, we can deliver excellent service while safeguarding our people and environment.

The program has had a significant impact on how our values are being brought to life in the whole organisation and among our clients. Going forward, we shall continue to have “Safe the RITE way” in our minds to build a sustainable organisation.

‘A Sustainable Organisation’ for DOF, is our ability to endure in the long-term within our external environment, and focuses on the balance between social, environmental and economic elements. The successful balance of these three elements ensures that we remain commercially feasible, socially acceptable and within the capacity of the external environment.

### ***Safeguarding our People and Environment***

Our main priority wherever we operate, is safety. Through our ‘Safe the RITE way’ program we have been able to create a united safety culture. The program continued in 2018, with new training programs and E-learning modules, ensuring that we maintain a common safety culture and behave according to our values. Based on ‘Safe the RITE way’ program, a new and updated Code-of-Business-Conduct was rolled out, increasing the awareness towards our core values and business practice.

Our environmental initiatives take a new direction, taking advantage of recent technological developments, allowing battery packs to be installed on some of our vessels. This will have a severe positive impact on our CO2 footprint. Our shore power project will continue, allowing zero emission during port stay where possible. A research and development project will be initiated in 2019 together with Kongsberg Group with aim to develop an “econometric” measuring system for our vessels. The outcome does have potential to reduce fuel consumption with 30%.

The incident with potential prolonged High-Pressure Neurological Syndrome (HPNS) on some divers after a saturation dive campaign in Australia in 2017 continues to be monitored. The incident is still under investigation by NOPSEMA.

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**The people make the real difference in a company and in these tough times it is good to see that we are among the top performing OSV management companies in the world.**

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Group CEO, Mons S. Aase, takes questions at the a financial presentation event for publicly traded companies with main offices on the West coast of Norway.



### ***Employees***

The key to the DOF Group's success remains unchanged – our people. Still, the market in which we operate is very challenging, and we have had to adjust the workforce. We see that the situation has started to stabilise, and the toughest adjustments seem to be behind us, and by the end of the year we were 3,578 people in the company.

### ***Human rights and labour standards***

The Group embraces practices consistent with international human rights and operate its business in compliance with fundamental labour standards.

### ***Client relationship and customer feedback***

The key to our future is our ability to secure new contracts, win repeat work and have suppliers that are supportive to our Company and our values. In order to win contracts, we need a good relationship to our clients, sufficient earnings and a cost level in line or better than our competitors. The feedback shows a steady improvement in the customer satisfaction within the marine and subsea services delivered.

### ***Aligning DOF with UN Sustainable Development Goals***

Another important improvement area for DOF in 2019 is to continue to align The Sustainable Development Goals (SDGs),

developed by the United Nations. DOF is already addressing relevant strategic economic, social and environmental topics through our corporate social responsibility statements. This is developed in conjunction with our stakeholders and communicated in the 2019 Improvement Program.

### ***Continuous improvement of our operations***

Quality of our work, cost efficiency and smarter solutions will be key in securing work and delivering according to our stakeholders' expectations. Several improvement projects have been ongoing to achieve a more streamlined and efficient organisation. We need to continue this effort to be competitive. Defining and measuring environmental sustainability aspects and risks associated with our business activities is important, and investments in systems and equipment have been made to record, understand and improve our environmental performance, and secure a sustainable future. ✿

Bergen, 15<sup>th</sup> March, 2019

Mons S. Aase  
Chief Executive Officer

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## ***The DOF Group values:***

### ***Respect***

Underpins everything we do and every interaction we have. Respect for people: our colleagues, our customers, and our business partners.

### ***Integrity***

The very corner stone of our business. We behave ethically – always.

### ***Teamwork***

Everything we achieve is as a result of teamwork.

### ***Excellence***

In everything we do. We are resourceful and responsive to our customers' needs; innovative in the solutions we apply to everyday problems.

### ***Safe***

Above all we are safe.

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# DOF values & priorities

## Overview

The DOF Group is a global organisation, operating in a complex environment. Meeting stakeholder expectations and navigating daily challenges, large and small, requires a deep understanding of our values and clearly articulated priorities. The framework provided by the GRI standard gives the DOF Group a structured approach to ensure vital drivers of sustainable operations are factored into decision making. Ultimately, reporting to the GRI standard provides stakeholders with a view of organisational performance in more than financial terms alone.

### **Identifying material aspects and conducting a materiality assessment** **102-42, 102-46**

To deliver more sustainable operations, DOF must recognise and respond to the most significant aspects of its activities (also known as material aspects). The Group's material aspects were identified through an internal process which analysed internal reports, studies and customers' surveys to establish the most relevant economic, social and environmental topics on which to focus. As a result of the process, key stakeholders were identified through various analyses and consultations and a comprehensive list of material aspects captured. Stakeholder engagement is described later in this report.

### **Stakeholder engagement** **102-43**

Stakeholder engagement is a continuous and on-going process. Engagement has been conducted through key stakeholder group workshop sessions, as well as dialogue using existing channels and meeting places, for example, investor meetings, engagement surveys, processes with suppliers and customers). Other relevant opportunities for engagement have been used too, for example, advisory panels, public meetings, multi-stakeholder forums, focus groups, surveys, partnerships, etc.

### **Validation analysis of the materiality matrix**

With support from DNV GL, a validation analysis of the Group's materiality matrix was conducted (see opposite page). The analysis used a standardised 'Materiality Tool' which consists of predefined external and internal criteria, by which every topic can be measured. These include a broad set of considerations such as financial criteria, sustainability context, DOF's strategy, peer pressure, etc. Each topic's relevance was tested, from low to strategic and where the topic could impact in the value chain, whether positive or negative. ✱

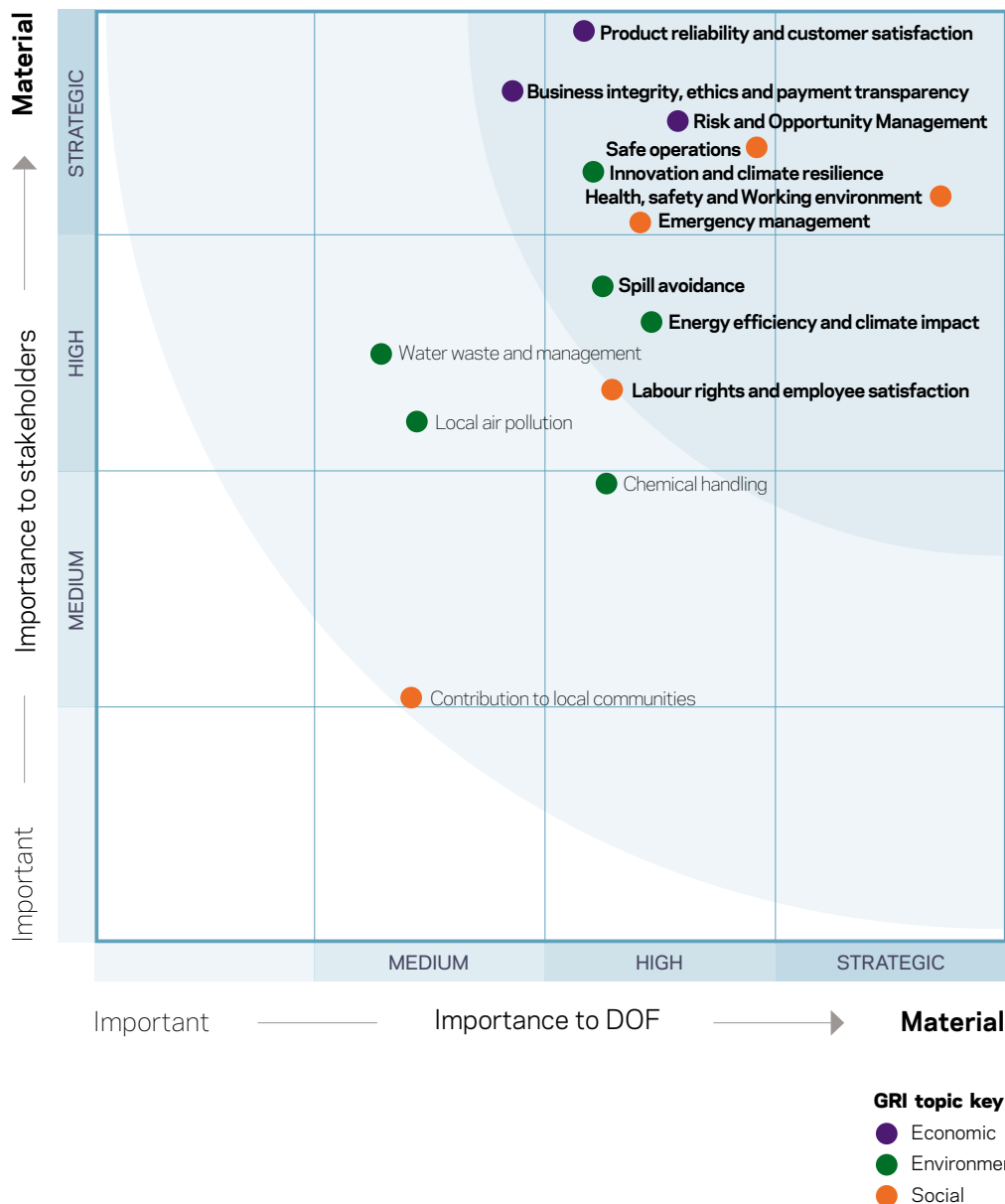
## OUR STAKEHOLDERS

The DOF Group's key stakeholders were originally identified in 2015 as customers, employees, investors, suppliers and local communities. The stakeholder group's relevance has been reviewed and confirmed in various and annual strategic sessions.

The following material issues have been identified (see appendix ii) as being the most relevant for DOF and its stakeholders. The material aspects are arranged according to the DOF values.

**Employees** – The Group has close to 3,600 employees. They are the backbone of our organisation and a natural choice as a key stakeholder group. Engagement with employees is conducted through studies of feedback from numerous employee committees, working environment surveys and separate dialogue with individuals.

Below: DOF 's materiality matrix rev 2019001



**Clients** – The Group works with numerous clients, globally, some key clients are global, and others operate in local or regional areas. This makes engagement with all stakeholders challenging. The analysis of their expectations of the Group are based on reviews of existing and upcoming contract requirements, client transfer of experience meetings, client supplier meetings with focus on future projects and new expectations, and reviews of client's external communication and public web pages.

**Investors** – DOF ASA is a publicly listed company with many shareholders. In the assessment to identify key stakeholders, it was determined that the most feasible way to represent the investors are through engagement with members of the Board.

**Suppliers** – In 2018 the Group had almost 4,200 different suppliers. It is not practical to engage with them to ascertain their expectations. However, as a key stakeholder, suppliers to DOF are vital. To compensate for a lack of in-depth dialogue, studies and dialogue have been undertaken with key suppliers within global logistics, advanced subsea equipment providers, classification societies and shipbuilding yards as a fair representation of the stakeholder group.

**Local Communities** – The Group has its main operations offshore and is as such not visible in the local community, aside from office buildings, a few warehouses and shore bases. However, in some communities DOF is a major employer. This means there are expectations for the Company as regards contributing to the local community. It has not been practical to maintain a dialogue with all local communities we operate in.



# DOF values & priorities

## Materiality

### Safe

Above all we are SAFE

We are committed to protect the health and safety of our people and our environment.

### Respect

Underpins everything we do and every interaction we have. Respect for people: our colleagues, our customers, and our business partners.

As global citizens we are socially responsible, we respect the individual, the local customs and cultures of our various markets.

Acting with care and consideration is central to our wellbeing and safety and ensures we minimize our environmental impact.

#### MATERIAL ISSUES

Health, safety and working environment

403-1 Management systems  
403-2 Hazards & Incidents  
403-3 Occupational health services  
403-4 Occupational health and safety engagement  
403-5 Occupational health and safety training  
403-6 Promotion of worker health  
403-7 Occupational health and safety impacts  
403-8 Occupational health and safety system coverage  
403-9 Work-related injuries

Energy Efficiency & Climate Impact

305-1  
305-2 Emissions  
302-1 Energy Consumption  
307-1 Compliance  
306-3 Significant spills  
201-2 Financial implication due to climate change

#### OUTSIDE THE ORGANISATION (103-1)

Global: Employees, shareholders, customers, local communities, NGOs, policy makers, shareholders, suppliers

Global: Customers, civil society, policy makers, local communities, NGOs, shareholders

#### WITHIN THE ORGANISATION (103-1)

Whole organisation: DOF is highly committed to its core values – Safe the RITE way – and works pro-actively to achieving them.

Whole organisation: Defining and measuring environmental sustainability risks associated with our business activities is an important activity for the Group. DOF is actively working with its partners on finding CO<sub>2</sub> reducing solutions as part of their own efforts to reduce carbon footprint.

#### UN SDG



Safeguarding our people is the overall objective in everything we do. Through the Safe the RITE way framework, DOF has ambition to ensure the good health and well-being of all employees. Measurable key performance indicators are used as part of this work, to monitor the effect of the activities performed within the area.

A new program will be initiated in 2019, to stimulate physical activity onboard the vessels.



The main source of DOF's climate impact is the fuel used by its vessels. DOF has various activities and programs to reduce its climate impact, including; Ship Energy Efficiency Plans (SEEMP), goal of 10% reduction in fuel consumption over 5 years, installation of shore power capability, installation of battery packs on vessels, participation in the Carbon Disclosure Project (CDP) for transparent environmental reporting. A new R&D project with potential for significant fuel saving will be initiated in 2019.

DOF is part of IMCA's Environmental Sustainability committee which provides a forum for discussions and exchange of ideas and experiences with other members of the industry.

DOF also has other internal activities such as preparedness for acute pollution from vessels, using environmentally friendly products (for example non-hazardous hydraulic oil in ROVs) and environmental management plans.

## Integrity

The very corner stone of our business. We behave ethically – always.

We are honest, fair and equitable in all our dealings. We are dedicated to good corporate governance.

We strive to do the right thing not because someone is checking, or looking, but purely because it is the right thing to do.

## Teamwork

Everything we achieve is as a result of teamwork.

Each of us is responsible and open in our professional relationships, cooperative and collaborative, treating one another with dignity and respect.

We do not blame, we find and share solutions and we learn from mistakes. From this platform we build diverse and global teams and strive for free exchange of ideas, experience and knowledge, worldwide.

## Excellence

In everything we do. We are resourceful and responsive to our customers' needs; innovative in the solutions we apply to everyday problems.

We safeguard our individuality and the qualities that set us apart from our competitors, protecting our reputation and the professional trust we have built, we do not walk away from our commitments.

### MATERIAL ISSUES

Business Integrity, ethics and payment transparency, Spill avoidance

205-1 Anti-corruption  
205-2 Anti-corruption  
205-3 Anti-corruption  
415-1 Anti-Competitive behaviour  
201-4 Financial assistance  
419-1 Compliance  
414-1 Supplier social screening  
308-1 Supplier environmental screening  
306-3 Significant spills

Our people  
Labour rights and employee satisfaction

401-2 Employment  
402-1 Labour/Management Relations  
404-3 Performance and career development reviews  
406-1 Non-discrimination  
201-3 Benefit obligations

Product reliability and customer service, Innovation & Climate Resilience

DOF 1 Operational uptime  
DOF 2 Results of surveys measuring customer satisfaction

### OUTSIDE THE ORGANISATION (103-1)

Global: Customers, civil society, shareholders, suppliers, policy makers, civil society

Global: Employees, shareholders, customers, local communities, NGOs, policy makers, shareholders, suppliers

Global: Employees, shareholders, customers, local communities, NGOs, policy makers, shareholders, suppliers

### WITHIN THE ORGANISATION (103-1)

Whole organisation: For DOF, business integrity and ethics policy are of high priority and DOF expects their companies and employees to follow and adopt behaviours to protect and build the DOF's reputation, in all situations.

For DOF to be in compliance to law and to industry standards is of strategic priority. In all of the regions where DOF operates, it strictly follows all rules and regulations addressed by the national governments.

DOF acknowledges the importance for our customers of a reliable partner and that is why we are always seeking to obtain the highest industry standard certifications before accredited bodies.

Whole organisation: DOF understands that acting in accordance with its Code of Business Conduct towards their partners and employees is decisive in achieving the highest standards by which DOF conducts their business activities every day.

Whole organisation: DOF continues to acknowledge that achieving excellence in corporate and operational efficiencies across the organisation is the most important thing it can do that will protect long-term sustainability for the organisation.

Whole organisation: DOF is continuously defining and measuring its sustainability risks such as climate change through measurable and innovative control measures that are being applied within the business.

### UN SDG



By employing local content, DOF contributes to economic growth in the various areas of operation. DOF is also committed to operating responsibly and respecting local laws and regulations. Through its Tax Strategy, DOF ensures that tax is paid fairly to the countries where it operates.

DOF acts ethically and lawfully to protect our reputation and comply with applicable laws and regulations, wherever we do business.

Our Code of Business Conduct gives us clear rules and provides guidance for decision-making in ethical dilemmas. This is particularly important when operating in areas with high risk related to Anti-Bribery and Corruption. By standing by our Code, DOF can contribute towards reducing bribery and corruption.



DOF operates in many different areas around the world, and some of these areas lack a strong public education system. Either by direct contribution to employees or partnerships with other members of the industry, DOF contributes to quality education of children in challenge areas.

The DOF Group strives to promote a workplace where all are treated fairly, accepted equally, without any exclusion - in a harassment-free workplace. As a Group, we benefit from the different talents, experiences and perspectives equality and diversity brings to the workplace and the individual contribution employees make. Our guiding principle is that everyone should be treated with dignity and respect at work.

Gender Equality in DOF has a solid foundation in both the Equal Opportunity policy as well as the Code of Business Conduct, both approved by the Board of Directors.



DOF acknowledges that development of industry, innovation and infrastructure in local communities is important, however it is not an area where DOF can have a significant contribution towards this as part of our operations, aside from complying with local and global legislations, regulations and expectations as a global company.

# The ocean is our workplace and vessels are the platform for all of our operations



Clearly, Climate Action and Life Below Water are key SDGs for the Group: not only as material aspects, but as Company harnessing our values to deliver our sustainable development, it is fundamental that we protect the environment. This applies to the Oceans as our workplace and our broader impacts for climate action as the two are inherently linked.

## ***Reducing fuel consumption and emissions***

The main source of DOF's climate impact is the fuel used by its vessels. Reducing fuel consumption and emissions starts with the fundamental principles of design.

## ***Design for efficiency***

We employ latest technology in ship design and fuels, as well as optimization across subsea projects and marine operations. Our vessel's bow shape is optimised for eco-drive-in all-weather conditions and designed to minimize free-running fuel consumption in three sea state regimes. It sounds simple, route optimising, especially on Platform Supply operations, minimizes fuel consumption.

## ***Use technology***

Our environmental initiatives use technological developments and power innovations. Examples include the introduction of dual powered LNG vessel, Skandi Gamma and energy storage through the installation of battery packs all help to have a positive impact on our CO2 footprint.

Making history, Skandi Vega was the first vessel to connect to the harbour facility via shore power. Typically, vessels spend 25-35 per cent of annual operations in port. Our shore power project continues, allowing for zero emission during vessel port stay where possible.

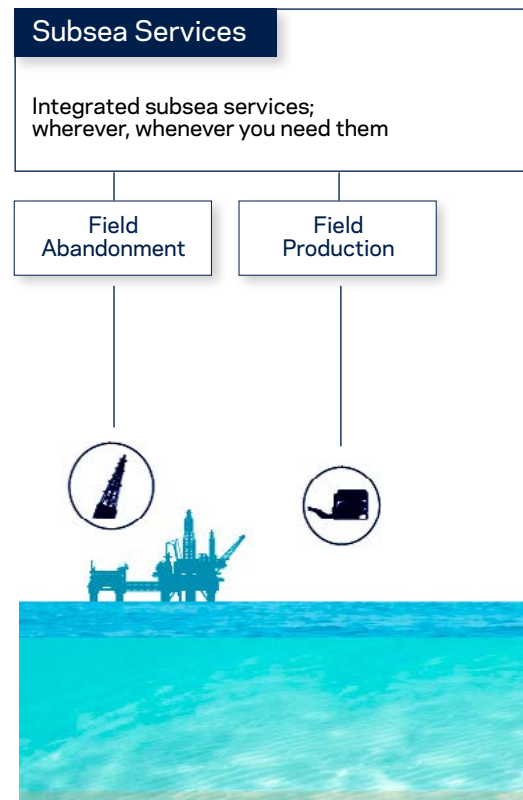
## ***Look for reductions***

In 2018 a pre-study was commissioned to investigate an R&D project, and encouragingly showed potential for significant fuel saving during vessel operations.

## ***Substitute to non-hazardous products***

We have audited controls in place and are prepared to respond to pollution events, but we start with fundamental principles: substitute to environmentally friendly products (for example non-hazardous hydraulic oil in ROVs) and environmental management plans.

We back all our initiatives up with transparent environmental reporting such as the CDP and GRI Standard – and have been doing so for years - it is the only reliable way to measure our progress and drive change. 🌱





## Did you know?

### Ethical business along our supply-chain

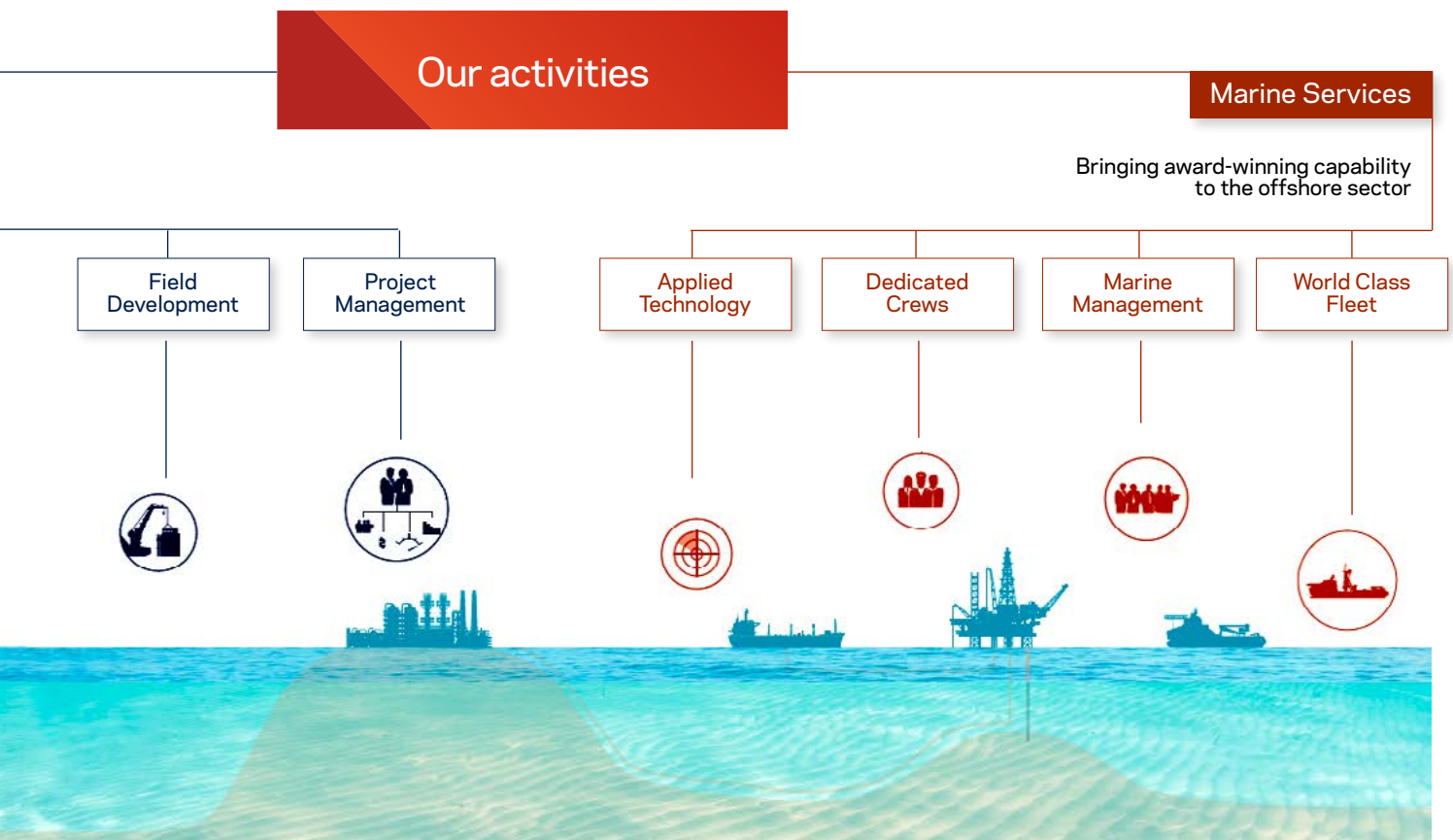
The DOF Group has reported environmental performance through the Carbon Disclosure Project (CDP) since 2010 and has consistently ranked in the top 30 per cent, along with other companies judged to have more advanced environmental stewardship.

In 2018 the DOF Group was scored as a 'C'. The drop from the previous year's score can be explained. The CDP drives change by increasing the impetus for industry to address significant challenges as they are identified. One current challenge is for companies to plan for both dimensions of climate change: the impact of organisations on the climate, as well as responding to the risks posed by climate change. The second dimension is a specific area where the DOF Group can improve.



## Our focus for 2019:

A new Research and development project with potential for significant fuel saving during vessel operations will be commission in 2019.





# We conduct business ethically and with integrity, safeguarding people and maintaining the highest principles, wherever we do business.

Everything in place to uphold a culture of legal and regulatory compliance: the foundation for honest, ethical business.

## ***Strong Intentions operate to universal principals and give stakeholders the resources to uphold them.***

In a complex world, safeguarding people and maintaining the highest principles, wherever we do business, is a modern business challenge. The Code of Business Conduct (COBC) is the most important document in the Group because it helps us meet this challenge. Built on our core values, the COBC guides behaviour and supports sound judgement and common sense and in turn supports the Company to achieve “Safe, legal, ethical decision-making and operations, everywhere we do business”.

It is our own blueprint for conducting business fairly and responsibly. It is clear and easy to understand and comprehensive in the subjects covered, for example, it outlines expectations and practical steps to protect Human Rights, promote Diversity and Equity in the work place; how to avoid bribery and corruption; to ensure Fair Share Taxation payment.

## ***Promoting Compliance and Governance and the DOF Watertight Integrity Test***

The COBC was relaunched in 2018. The new format aims to help everyone understand and meet the Group’s expectations for professional standards and how to comply with all legal and regulatory obligations, worldwide. The “DOF Watertight Integrity Test” was introduced as a simple tool to support decision making in any situation.

## ***Awareness and training for complex issues like Anti-Bribery and Corruption***

The COBC was rolled out globally along with comprehensive awareness training and a new, mandatory e-learning module. In addition, a new global Compliance Awareness training program is underway to promote understanding in this complex area of business. The training also covers obligations and measures to avoid Bribery and Corruption and is part of senior and middle management training program.

## ***Closing the ‘feedback loop’ with tools for transparency and accountability: The Ethics Helpline***

The Group introduced the ‘DOF ethics helpline’ to give stakeholders the tools to report concerns. The service supports queries and offers a secure, accessible platform to report unlawful, unethical acts or unacceptable conduct. The ethical helpline is hosted by a third-party provider and facilitates the investigation, case follow-up and archive of all reports received.

## ***Supporting the communities in which we operate***

To develop and support the communities in which we work, we actively engage local businesses and offer career pathways and training for local communities. Other Corporate Social Responsibility activity supports early-life education, cultural and sporting programs. 🌱

## THE DOF WATERTIGHT INTEGRITY TEST

The DOF Code of Business Conduct was relaunched in 2018. The new format aims to help everyone understand and meet the Group’s expectations for professional standards and how to comply with all legal and regulatory obligations, worldwide.

The “DOF Watertight Integrity Test” was introduced as a simple tool to support decision making in any situation.

Read more in our Code of Business Conduct: [www.dof.com/TheCode](http://www.dof.com/TheCode)



**Is it safe?**

## Did you know?

### Ethical business along our supply-chain

The DOF Group has invested in a more efficient, digital platform to conduct vendor evaluation which is also designed to ensure universal principles are upheld along our supply chain. The online forms allow for degrees of scrutiny and corresponding requirements, depending on proof of pre-existing controls such as, third-party certification or, what measures the vendor has taken to protect against child labour. The less comprehensive the vendor's business management systems are, the greater requirement for evidence, so the Group can ensure it has all checks and balances in place.

The new vendor evaluation is mandatory for all suppliers and will produce a master supplier database in Unit 4. The evaluation process will support quality control of approved vendors.

## Our focus for 2019:

Strengthen our work within compliance, by continued rollout of the Ethical Helpline, and assessing suppliers according to the ten principles of the UN Global Compact.

## Highlights

### ABC training

Number of employees completing  
Code of Conduct training

1,341  
in 2018

### Events registered

Events reported in the management system  
with potential for improvement

33,728  
in 2018



Is it legal?



Does it reflect  
DOF values?



Am I setting  
a good example?



Would I be comfortable  
talking about it?



# Safe the RITE way

Safeguarding our people, the environment, and communities where we operate is our highest priority.

The Safe the RITE way program is at the heart of our business. Our actions and decisions are always guided by and grounded in our values – Respect, Integrity, Teamwork, Excellence – above all we are Safe. We build sustainability by applying our values to define significance, guide our approach, assess our results and set the ambitions into our future.

It is in this way, we ensure we are honest, fair and equitable in all our dealings. We strive to be the leader in the field of health, safety and working environment, to deserve our reputation and continue to build our future.

The value icon illustrates how the Group safeguards our people, environment, communities and operations.



Safe is at the centre of the ICON. Safe is achieved as a result of operating to our values Respect, Integrity and Excellence – and the way they overlap. The Team embrace the values, hold them together and this is symbolised by people holding hands around the values.

Each value represents a core area within DOF Sustainability context, and the entire report is built upon this to demonstrate compliance in the relevant GRI standards and material aspect assessment.

DOF Values and Material Aspects have been aligned to demonstrate that DOF is a value driven organisation with world-class safety, legal and ethical standards. ✿

## ENSURING OUR COLLEAGUES GO HOME SAFELY, UNHARMED

Respect, Integrity, Teamwork, Excellence and above all we are SAFE. Safe the RITE way is how our values interact with each other, shape our remarkable team and are embedded in our policies, our Code of Business Conduct and guide our strong safe and ethical culture. The way these values come together gives a consistent focus and emphasis towards a sustainable business.

Using our Values and our Safe Behaviours as a framework, we have identified key behaviours directly related to following DOF's processes and procedures in the workplace. These key actions can be found in the "Prioritised Critical Behaviours." The integration of these elements actively builds on our work culture to make our core value "above all, we are SAFE" a reality. Most important of all, the goal is to ensure that all of our colleagues go home safely, unharmed.

## Highlights

### Safe

- Simplification of our Occupational Health & Safety Management System
- New Marine Operations Manual
- Survey shows that employees consider DOF a safe place to work

### Respect

- Battery packs on vessels
- Reduced CO<sub>2</sub> impact
- Agreed on new R&D project with substantial potential for fuel reduction

### Integrity

- New Ethical Helpline launched
- New compliance training program developed
- Strengthened supplier evaluation by introducing UN Global Compact work

### Teamwork

- Prepared new platforms for modern communication
- Strengthened workforce communication
- Substantial development within human resource information systems

### Excellence

- Launched Maintenance the RITE way
- New Maintenance Management e-learning
- Substantial customer feedback improvement in DOF Marine

### *Did you know?*

DOF has been using these specific colours with each company value since 2016.

Safe  the RITE way<sup>©</sup>

# Safe

## Overview



The Group has built on the Safe the RITE way program, strengthening our global safety culture. We work continuously to improve safety systems and our safety performance. The safety for our employees is our number one priority

### **Why is SAFE significant to DOF:**

Safety is paramount to DOF's on-going success and sustainability, we work to ensure we are safe, and our team return home safely, everywhere we conduct business. Being safe is also essential in attracting; recruiting and retaining the talented individuals we need to support our operations.

### **What are we doing about SAFE:**

Safety is key for the business and the systems in place: rules, procedures and processes, and programs, are well established. However, Safety can never be considered complete. The focus is on ensuring systems are still relevant (i.e. fit-for-purpose) to our operations; monitoring and responding to trends; enabling knowledge share; review and renewal and developing fresh programs to communicate expectations and keep safety in the front of mind. DOF has started the work to implement new technologies to support the HSE work, known in DOF as the 'modern toolbox'.

### *Occupational Health and Safety Management System*

The DOF Group is committed to ensuring the provision of a healthy and safe working environment throughout all company operations and through the interaction and consultation with stakeholders, look towards continuously improving upon the requirements and expectations which are set out by the Group.

The Occupational Health & Safety management system forms a part of the Business Management System which is modelled around the seven guiding principles of the organisation, which is defined within the company Business Management system manual, available on [www.dof.com](http://www.dof.com). The system covers all workers and vessels / worksites in the DOF Group and is owned by the Group Senior VP HSEQ, who reports to the Chief Executive Officer. The CEO of the DOF Group is accountable to the Board of Directors for ensuring that DOF's overall HSE policy is implemented.

DOF has developed an Occupational Health and Safety Manual

### *How DOF defines SAFE:*

#### **According to the DOF Values:**

**“Above all we are Safe”.  
We are committed to  
protect the health and  
safety of our people  
and our environment.**

(OH&S) which is intended to provide an outline of the requirements and expectations contained within international standards such as OHSAS 18001 and the ISM code. The legal requirements from flag states and the areas where DOF operates are closely aligned with these international standards. However, there may be certain activities that have additional requirements based on the areas of operation, which are handled in activity specific guidelines and procedures.

DOF has established procedures to ensure that hazards are identified, the likelihood and consequence of occurrence is assessed and, as necessary, suitable control measures

are introduced along ALARP principals. Personnel are trained in the use of appropriate risk assessment and management techniques as a practical means of improving safety within operational activities.

### *Hazard identification, risk assessment, and incident investigation*

DOF implements a hazard and risk management process in order to identify hazards and risks associated with the operations the company undertakes. This hazard & risk management process is aligned with all relevant aspects of ISO 31000 Risk Management - Principles and Guidelines.

This requires the following key steps:

- Identification of the hazards and the potential risks associated with each hazard;
- Identification of the impact / consequences and the causes associated with the potential hazards and risks;
- Determination of the likelihood of occurrence;
- Identification of the consequences of the potential safety incident;
- Determination of the level of risk using a likelihood and consequence matrix; and
- Specification of the risk treatment actions, including (where appropriate) reduction, acceptance or transfer of risk.

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## *DOF 2020 SAFE goals:*

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Overall to score 25% better than IMCA average on all comparable safety statistics within our sector;

All KPIs met for ER Training Exercises and System familiarisation across the Group, globally;

The Group will operate according to the new ISO standards. Replacing current OHSAS 18001:2007.

## **Highlights**

### TRFC

In 2018, a TRFC (total recordable frequency) of:

**1.80**  
per million man hour

### LTIFCs

In 2018, a LTIFC (Lost Time Incident Frequency) of:

**0.79**  
per million man hour

### Ambitious targets

"This is an incident-free organisation"

### Balanced KPIs

DOF has established nine KPIs within Safety, balancing leading and lagging indicators.

### New Insights

DOF is utilising a data warehouse solution and Power BI, to enable a deeper insight and analysis in our numbers.



# Safe

An officer onboard observes activities on the aft deck.

## Overview (continued)

The quality of the risk assessment processes is ensured through regular audits, by internal parties or external parties such as DNV GL. In addition, there are regular reviews of the outcome of the processes such as Permit to Work audits onboard the vessels that also include related risk assessment. Findings from audits, incidents, near misses or ad-hoc improvement suggestions are all contributors towards the continuous improvement of the OH&S management system.

All employees must undertake basic training within risk assessment. Depending on the type of work to be done, comprehensive training might be required. These training requirements may also apply to third party personnel at DOF vessels and worksites, depending on the scope of their work.

All workers have authority to speak up and stop the job. Reporting of work-related hazards and situations are normally done through Safety Observations, which are either entered directly into the management system, or through a Safety Observation Card which are later entered into the system. DOF's non-retaliation policy protects anyone acts and reports in good faith, even if they are found later to be mistaken. This is outlined in DOF's Code of Conduct.

There are two approaches to incident investigation within DOF Group; the chosen method will be dependent on the level of severity of the incident. Low severity incidents are investigated using an internally defined template, while incidents of medium or high severity utilised the Kelvin TOP-SET methodology. Regardless of the investigation method, all investigations conclude with recommendations for corrective actions and needed in the occupational health and safety management system.

### *Occupational health services*

DOF has an agreement with an international occupational health service provider, which provides a variety of services, ranging from advice towards the OH&S management system, project specific risk management and assistance in emergency situations. The provider is internationally recognised and has an accredited management system. Access to the services may be initiated directly by workers or through positions such as a vessel's nurse.

### *Worker participation, consultation, and communication on occupational health and safety*

DOF's OH&S management system is made available through an IT application which allows workers to provide feedback, either directly on specific documents, or general improvement suggestions. Worker involvement on OH&S is also attended through Safety Delegate & Protection and Environment Committee (PEC) committees at vessels and onshore worksites. The mechanisms of these committees may vary depending on local legislation.

### *Worker training on occupational health and safety*

All workers are required to perform mandatory e-learning related to Risk Assessment and the Permit to Work system, which are fundamental to safeguard our people. In addition, all new workers must attend vessel or worksite specific safety induction before commencing work.

### *Promotion of worker health*

DOF operates in a global environment, where availability and quality of healthcare may vary significantly between the areas of operation. We aim to ensure that all employees have access to non-occupational medical and healthcare services. This is normally achieved through agreements with local health insurance companies. The coverage of these insurances will be adapted to circumstances such as availability of universal health care and statutory requirements. Overall, DOF follows an industry benchmark for its health insurance coverage.

In some regions, programs have been established for voluntary health promotion services such as annual health checkup.

### *Prevention and mitigation of occupational health and safety impacts directly linked by business relationships*

DOF's offshore operations are where our people have the highest exposure to health and safety risks. The Permit to Work system identifies high risk operations, including but not limited to entry to confined space, work at height, welding or electrical work. The system ensures a thorough process before work may commence, and includes risk assessment for the specific work to be done.

### *Workers covered by an occupational health and safety management system*

All workers at DOF vessels and worksites are covered by the



Occupational Health and Safety management system. This includes both employees and workers who are not employees. By 31.12.2018 the headcount of DOF staff was 3,578 people. An exact number of workers who are not employees is not available.

In addition to regular internal audits, the OH&S Management system is verified by DNV GL according to requirements in the OHSAS 18001 standard and the ISM code.

#### ***What are future goals with SAFE:***

Safety awareness is a never-ending process, and our goal is to be recognised as the safest provider of subsea and vessel services to our growing international and global client base. The watertight test, launched in our new code of conduct, starts with a simple question; “Is it Safe?” If the answer is no, action must be taken.

As new personnel join the Group, we ground them in our value-driven approach and provide them with the necessary practical, and theoretical training to appreciate the importance of acting in line with the values and principles.

We continue to enhance safety culture onboard our vessels. We have introduced reflective learning tools for safety awareness; sea riding (where onshore managers sail on vessels in operation), and continue to implement our management visits program.

#### ***Our focus for 2019***

- Simplifying the HSE toolbox: introduce DOF Safe Work Practice;
- Introduce Reflective Learning framework;
- Digitalisation of safety systems (Permit-to-work; Toolbox Talks; Risk Assessment; Management- of-Change-processes)
- Adjust the DOF lifesaving rules to include line-of- fire in line with the Oil & Gas Producers (OGP) updated lifesaving rules
- Initiate a project to stimulate more physical activity onboard our vessels within the framework currently available. The project will develop the program, without adding any risks that might compromise safety. The effect goal is to increase motivation for physical activity onboard our vessels, to increase personal health and well-being. This is aligned with DOF’s commitment towards UN Sustainable Development Goal 3; Good Health and Well-Being;
- A new KPI has been introduced with the aim to more actively monitor the number of high potential incidents. This in turn will assist in a proactive approach to risk management;
- The HSEQ Workbook will be re-issued with a new version titled the DOF Workbook. It will include new chapters, incorporate all Safe the RITE way material developed during the past 4 years, and be the foundation for all internal training. ✿

# Safe

## Results

Workers on aft deck transport equipment.

2018 was in many ways focused on improving the interaction between the onshore and offshore parts of the organization. By exploring new ways of leadership involvement, such as management sailing with vessels, coach captains and engaging crew members in smaller groups, focus has been shifted from monologue to dialogue.

A global working environment survey performed in the Subsea part of DOF, shows that the workforce feels safe working in the company. 9/10 survey respondents agreed that “this is a physically safe place to work”. Another encouraging feedback is that almost 100% of the respondents agree that “if I see something I consider unsafe, I would stop the job”.

Based on the dialogue with our employees, we have staked the course going forward for simplification of our management tools and systems. The new marine Integrated Management System was implemented in 2018 and is a key element to support the new organisation of DOF Marine. This includes a new setup of our governing manuals and standards that has been developed in close conjunction with our offshore crews and functional managers onshore. Our means of communication and HSE training material has been revised to address our employees’ requests for a clearer language and less content, but more quality.

### *Work-related injuries 403-9*

All HSE incidents are reported through a common system for the DOF Group, “Docmap”. The system is available in the office and on all DOF vessels. Among the data captured for each incident is Type of injury, injured body part, Gender, Age and Injury classification.

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**“If I see something I consider unsafe, I would stop the job”.**

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HSE reporting is done in line with the reporting principles of IMCA.

The man-hours used to calculate frequencies are based on exposure hours and include hours for all personnel on our vessels. This provides the most accurate indicators regarding the overall safety performance.

Significant metrics are outlined in Figure 1 and Figure 2 on page 26 shows the Occupational Health and Safety Indicators.

Each company / region enters HSE statistics monthly into an internal tool on the DOF intranet, which is used by the corporate organisation to create quarterly and yearly reports.

For 2018 the objective was to be below 0.3 LTIs per million man-hours. At the end of the year we reported 0.79 LTIs per

million man-hours for DOF as a whole.

The total recordable frequency (TRFC) for DOF was 1.80 in 2018. The TRFC is an indicator of the total number of LTIs, restricted workday cases and medical treatment cases per million man-hours. The IMCA TRFC for 2017 was 1.62.

Number of first aid cases has for 2018 been 8.22 per million man-hours.

The main types of injury are lacerations and impact injuries (sprains / fractures).

Being a global company operating within multiple cultures, openness is a key approach. Our result in reporting safety observations, both positive and negative, reaches the impressive figure of 584 reports per 200.000 man-hours.

In 2018, there was one injury cases recorded related to a worker who was not an employee but whose workplace is controlled by DOF (client personnel on a vessel). The injury has been registered with low risk factor and minor injury classification. Due to the way DOF captures exposure hours, it is not possible to calculate specific HSE frequencies for employees and other workers. With a new vessel reporting system implemented on all vessels during 2018, it is expected to have increased possibility for this split in reporting for 2019.

There were two high consequence injuries in 2018, both related to hand injuries. A safety campaign was launched in late 2018 after several incidents involving hands or feet, to raise awareness around the hazards and promote preventive measures to avoid injuries.

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**Number of first aid cases has for 2018 been 8.22 per million man-hours**

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In most locations where DOF operates, trade union agreements contain provisions that address the health and safety of our employees. All our offshore workers are covered by the MLC 2006.

#### *Emergency management*

Emergency Management protocols and systems are well developed within DOF; however, this is an area where training and readiness are crucial to the effective management of any emergency situation or

crisis. Regular scenario training, conducted by third party organisations specialising in Crisis management, is provided for personnel in the Emergency Response Teams (ERT). Scenario Training is supported by electronic system exercises to ensure individuals remain familiar with the system.

Emergency situation training exercises range from a variety of offshore scenarios to more universal themes of business continuity in order for DOF to 'Stress

Test' and improve where necessary. Organisational compliance is monitored by Key Performance Indicators.

We see that over the past few years, there is an increase in incidents handled within the crisis management system. This is in line with our goal to use the system for managing any type of incident, such as onshore IT issues, and not only focus on offshore operational incidents. ✿

Overview of emergency incidents and exercises

	2018	2017	2016
Incident	18	12	5
Exercise	31	40	101



## Results (continued)

Global HSE targets - Figure 1

HSEQ INPUT/OUTPUTS	GLOBAL TARGETS 2018 METRICS
Number of Lost Time Injuries	0.
Lost Time Injury Frequency Rate (LTIFR)	< 0.3 / 1 000 000 man-hours
Lost Recordable Case Frequency Rate (TRCF) Includes LTIs, Restricted Workday Cases, Medical Treatment Cases and fatalities.	<1.1 / 1 000 000 man-hours
First Aid Cases	< 7.5 / 1 000 000 man-hours
Safety Observation Rate	450 / 200 000 man-hours

Occupational Health and Safety Indicators - Figure 2

OHS INPUTS / OUTPUTS	UNIT OF MEASUREMENT	2018 Target	2018	2017	2016
Man-hours	Number		8 882 567	9 038 874	10 107 800
High consequence injuries	Number		2	N/A	N/A
High consequence injury rate	Injuries per million man-hour		0.23	N/A	N/A
Fatalities	Number	0	0	0	0
Number of Lost Time Incidents (LTI)	Number	0	7	2	8
Lost Time Injury Frequency Rate	LTIs per million man-hour	< 0.3	0.79	0.22	0.79
Total Recordable Cases	Number		16	11	23
Total Recordable Case Frequency Rate	TRC per million man-hour	< 1.1	1.80	1.22	2.28
First Aid Cases	Number		73	90	94
First Aid Case Frequency Rate	FACs per million man-hour	< 7.5	8.22	9.96	9.3
Safety Observation Rate	SOB per 200.000 man-hour	> 450	584	601	495
Lost Day Rate	% lost days of scheduled days		0.05%	0.002%	0.02%
Absentee rate	% absent days of scheduled days		2.69%	2.18%	2.13%



# Respect

## Overview



Respect for each other, the environment and our local communities.

### **Why is RESPECT significant to DOF:**

The Group aims to create an environment of empathy, mutual respect and understanding amongst all stakeholders. DOF is an equal opportunity employer and does not tolerate any form of harassment or discrimination within the workplace or local communities where we operate.

Operating responsibly at sea, with minimal impact upon the environment, is fundamental for the DOF Group. There is a well-established zero-mindset to any discharges of harmful material into the sea. By delivering energy efficiency we reduce our environmental impacts and make DOF an attractive business partner.

Adapting to the global communities' changing expectations to climate change and pollution is a strategic driver for the Company. It is vital for DOF to develop in the energy sector, together with our key partners, in line with the targets articulated in UN's Sustainable Development Goals.

### **What are we doing about RESPECT:**

All DOF employees undertake mandatory and regular values-based training, starting at their induction. DOF's values are embedded in many other business and discipline related training materials and Respect is the first value recognised in "Safe the RITE way".

DOF values a robust, respectful and healthy communication between our people in the Group, across geographical borders and "top-down – bottom-up". In 2018 the internal news intranet was changed to make all news visible globally, with a new section, where senior management highlight stories from our teams and operations around the world.

Respecting our cultural diversity, while working towards the same goals, is a key success factor for DOF. The new Code of Business Conduct launched in 2018 supports everyone maintain the

### *How DOF defines RE-SPECT:*

**According to DOF values; "Respect underpins everything we do and every interaction we have. Respect for people: our colleagues, our customers, and our business partners. As global citizens we are socially responsible, we respect the individual, the local customs and cultures of our various markets.**

**Acting with care and consideration is central to our wellbeing and safety and ensures we minimize our environmental impact."**

highest principles as many of the dilemmas offer practical steps to help us approach each other in different situations.

The Board of Directors is responsible for ensuring that DOF is committed to minimising its environmental impacts in line with the 'Polluters Pays Principle', 'Precautionary Principle' and 'Duty of Care'.

The DOF Environmental Impact Policy reflects corporate intentions, principles of actions and aspirations to improve environmental performance. It is DOF's highest level environmental document and frames the approach and management systems used to manage our environmental interactions and sets strategic environmental objectives.

### *Energy Efficiency and Climate Impact*

Defining and measuring environmental sustainability risks associated with business activities is an important activity for DOF. Since 2010, DOF has reported key environmental performance through the Carbon Disclosure Project (CDP) and the reporting has directly influenced the development of our Business Management System and the programs established to manage our environmental performance.

The CDP and the GRI standard disclosures criteria for energy, emissions and compliance are closely aligned.

Our Environmental Management System (EMS) ensures that DOF effectively manages our operations and strives for continual improvement of our environmental performance.

DOF has a modern fleet and several of the vessels are fitted with technology reducing fuel consumption and emissions. The diesel electric hybrid propulsion system allows greater operational flexibility and reduces energy consumption, CO2 emissions and maintenance costs. This propulsion system is ideal

## Highlights

### Spills over 50 litres

Number of unrecovered spills:

1  
in 2018

### CO<sub>2</sub> emissions

Emissions per operational day:

-3%  
in 2018

### CDP

DOF has since 2010 reported to the Carbon Disclosure Project.

### Energy Efficiency

DOF is continuously monitoring and improving the Ship Energy Efficiency Management Plans and establishing eco speed curves for optimal sailing speed.

### New tools

DOF is working together with Kongsberg Group and Innovasjon Norge to develop new technology for optimal energy use onboard vessels.

### *DOF 2020 RESPECT goals:*

DOF is an equal opportunity employer and has zero tolerance for any form of harassment within the workplace or local communities;

No harassment or discrimination cases

Within 2 years all companies within DOF will operate in accordance within ISO 14001:2015 and ISO 50001- energy efficiency;

CDP: DOF will continue to be in the top 30 per cent of participating companies;

Based on 2016 the overall fuel consumption will be reduced by 10 per cent by 2020. (need verification)

# Respect

## Overview (continued)

Manila 2018 conference included a total of 70 participants during two days filled with open dialogue, workshops, and team building. The conference included workshops and dilemma training with a focus on the new Code of Business Conduct.

for DOF's combined anchor handlers and offshore construction vessels. Improvements, particularly on hull design, have been made through close industrial cooperation with main suppliers. This experience transfer is vital in continuing enhancement of technology into the future.

A vital part of our EMS is the Ship Energy Efficiency Management Plan (SEEMP), developed in partnership with DNV GL and aligned to the guidelines set out by the IMO marine environmental protection committee. The SEEMP was implemented in 2012 for the entire Group's fleet to plan, implement and monitor the measures required to maximise vessel efficiency.

As a measure to reduce local environmental pollution, DOF focus on the development of shore-side electricity connections for port stays. Modifying vessels to be compatible with this technology is continuously evaluated based on the availability of shore-side connections where our vessels operate.

The environmental benefits of utilising renewable energy are considerable, since carbon dioxide, sulphur dioxide and nitrogen oxide emissions are reduced to a minimum.

Spill avoidance is captured by KPIs and is also a 'bearing element' in the ISO 14001 certification, which is audited regularly. One of the key objectives of DOF's maintenance regime is that "Maintenance shall reduce the risk of environmental impact from incidents and spills" which is one of the most important preventive measures for spill avoidance.

All vessels have a Shipboard Marine Pollution Emergency Plan (SOPEP/SMPEP) which provides guidance to the Master and officers on board the vessel as to the steps to be taken when a pollution incident has occurred or is likely to occur. The plan is reviewed annually, and regular drill held.

**NOX AND SOX** - All DOF's vessels operate with Marine Gas Oil - MGO. DOF complies with the regulations in the industry, especially with IMO and MARPOL Annex IV, Regulation 14, regarding strict measures addressed to ship owners to control the emissions of NOx and SOx from their ships, in Emission Control Areas ECA - where ultra-low sulphur fuel is required.

Since 2007, DOF has focused on reducing NOx emission to air: the main contributor is the instalment of Selective Catalytic Reductions (SCR) systems which can reduce NOx emission with up to 90%. SCR is a means of converting NOx with the aid of catalyst urea into N2 and Water. See appendix ix - NOx reduction measures.

DOF's internal procedures for bunker and fuel testing ensure control of fuel supplies to its vessels. The main objective is to ensure good quality and uncontaminated fuel supplies to offshore installations, in accordance with Charterer requirements. All the contracts between DOF Marine and charterers specify the quality of the fuel as per ISO 8217, Bunker Fuel Standard.

### *Innovation & climate resilience*

DOF conducts our global operations in compliance with best practice techniques and principles. As such, DOF standardises its global approach to meet the highest requirements of legislation and the expectations of external parties both locally and internationally.

Risk Identification and Assessment allows us, as a responsible organisation, to analyse where we are most likely to deviate from these commitments and what the risks are should this happen. Control measures can be identified to ensure that our levels of exposure are acceptable for all stakeholders.

### *Development and support of the communities where we operate*

A principle of our business model is to train and maintain a dedicated core crew on all our vessels.

This creates value by retaining operational and vessel knowledge between charter or project crew changes and leads to a higher level of safety, efficiency and quality of services, benefiting the Group, our clients and our workforce. The program creates value for individuals, their families as well as local governments and society by creating jobs, assisting in enterprise development and technology transfer to local communities.

- DOF's global maritime cadetship program combines the principles of a fair return for our local communities with building a skilled and sustainable workforce. This program gives cadets a structured path to gain qualifications and a long-term livelihood.
- Involvement in the "Norwegian Training Centre - Manila" (NTC) cadet program has been part of DOF's strategy to provide highly-qualified officers to our fleet. The courses extend across the complete area of vessel operations. The aim is to train seafarers to the highest standard of safety and quality and promote excellence in maritime operations worldwide.
- DOF joined other Norwegian ship-owners who founded AEPM in Brazil to provide opportunities for young adults to start maritime careers via ordinary seamen courses.
- Community support is focused on promoting education, culture and sports through a number of specialist





organisation's structured programs, primarily in Brazil and Philippines, to give underprivileged children a chance for a better future.

- Sponsorship of the Renascer foster institute (Brazil), an organization which cares for children of one to five years old, presenting them new life perspectives through sports, art and music, providing them with a home, food and shelter.

#### ***What are future goals with RESPECT:***

A new communication package, including new tools, will be launched in 2019. It is a goal to improve communication with workforce by strengthening our communication channels. A solution for distributing company news offshore and introduction of an Enterprise Social Network are some activities that will be introduced during the year.

The ongoing efforts to enhance energy efficiency will continue in 2019. This includes continuous evaluation of vessel modifications such as installation of shore power connection capability and battery packages.

DOF and the Kongsberg Group will start a project in 2019 with support from Innovasjon Norge to develop a decision Support system with potential to reduce fuel consumption up to 30% on our vessels. The project represents a significant investment by all stakeholders and will be kicked off early 2019 and have a duration of 2-3 years.

DOF intends to perform a climate change scenario analysis in 2019, based on the Task Force on Climate-related Financial Disclosures (TCFD) or similar, to have a structured and analytical approach towards not only how DOF impacts climate change, but also how climate change impacts DOF. This will in turn allow us to develop short-, mid- and long-term strategies and goals related to the external environment.

DOF has an overall objective of reducing CO<sub>2</sub> emissions by 3% each year, based on operational days per vessel. CO<sub>2</sub>, SO<sub>x</sub> and NO<sub>x</sub> are gases which are part of the exhaust from combustion engines and reducing the fuel consumption will also reduce the emission of these gasses. ❁

# Respect

## Results

Respect underpins the flexibility we have in our organisation. We can call on specialist individuals who because of the common respect for each other, have a commitment to meet shared goals. Without mutual respect, the high level of coordination and cooperation required to address corporate or operational challenges is more difficult. DOF has a proven record of quickly adapting assets and developing operational solutions to meet difficult and time sensitive challenges from their clients that delivers successful project execution outcomes. The following reporting concerns all DOF vessels and all environmental initiatives in the group.

### *Energy Consumption within the Organisation 302-1*

The majority of DOF's energy consumption comes from non-renewable sources, which is attributed to fuel consumption on our vessels. The energy consumed in our offices comes from both renewable and non-renewable sources, depending on the energy infrastructure in the area where the office is located.

Figure 3 indicates the organisation's energy consumption in joules. Electricity consumption per country is detailed in Figure 4.

### *Managing Fuel Consumption and Emissions to Air (Carbon Dioxide Emissions) – Scope 1 and Scope 2 - 305-1 I 305-2*

The Environmental Impact Policy sets out clear aspirations for ensuring that our operations have a minimal impact on the environment. This requires DOF to calculate and anticipate potential challenges before activities take place through risk identification processes, to ensure that the environmental impacts are understood and reflected in our activities.

Data regarding Scope 1 concerns fuel vessel consumption for all DOF vessels (including third party vessels). The resulting CO2

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**In 2019, DOF, Kongsberg Group, and Innovasjon Norge, will start an R&D project with the aim to reduce fuel consumption.**

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emissions are detailed in Figure 6. Due to long transit voyages, fuel consumption per operational day increased in 2015 and thus resulted in a setback regarding the overall long-term objective of 10% reduction. However, the consumption was reduced in 2017 and the target of 3% reduction in 2018 was met.

Scope 2 data relates to electricity and heat consumption in buildings where DOF has offices or warehouses. Scope 2 accounts for 0.2% of DOF's total CO2 emissions. DOF has decided to use "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)" to calculate the CO2 emissions originating from onshore electricity consumption (Figure 6).

### *Total number and volume of significant spills 306-3*

DOF considers spills of hazardous materials to the external environment that are over 50 litres to be significant spills. This is in line with the definition from IMCA SEL-010. The target is to have zero significant

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**Number of environmental incidents has for 2018 been 5.29 per million man-hours.**

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spills to external environment.

In 2018, there was one liquid spill reported that exceeded the 50-litre target to environment. The spill originated from a thruster malfunction and approximately 150 litres of thruster oil went into sea. The spill was not able to be recovered and was dispersed in the sea. The spill was reported to local government and there was no further action taken to DOF. Precautions have been developed, in cooperation with the manufacturer, to prevent occurrence of similar incidents in the future.

One other spill was approximately 3 000 litres and occurred while a vessel was alongside. However, it is estimated that all but 15 litres were recovered with oil recovery equipment.

During the year, 47 environmental incidents were reported. This results in 5.29 incidents per million man-hours. This is above the KPI of less than 4 spills per million man-hours. The vast majority of the incidents are related to minor spills onboard the vessel which was contained without release to the external environment.

The spills vary from millilitres to litres. It is challenging to record the exact volume of liquid spilt as most of the spills are contained by marine spill kits with different absorbent material. Measuring the volume is based upon individual's best judgement at the time of the incident, often in rough weather, darkness and time constraint. The total volume of spills was 3 332 litres, whereof 249 litres were released to the environment. The KPI for the area set to be zero, but the result is 28 litres released to environment per million man-hour.

### *Compliance 307-1*

In 2018, DOF has not been subject to any significant fines or non-monetary sanctions for non-compliance with environmental



laws and/or regulations.

*Innovation and Climate Resilience -  
Financial implications and other risks  
and opportunities for the organisation's  
activities due to climate change 201-2*

A climate change risk and opportunity workshop was performed in March 2016 to set out the impact that climate change is having on DOF's global operations. This assessment has been subject to annual review and was last updated in December 2018 to validate the risk assessment and make any necessary adjustments.

Due to its state-of-the-art fleet, DOF has opportunity for operating in harsh environments and extreme weather conditions. Combined with the capabilities and training of our senior officers to manage adverse weather situations, DOF ensures continuous operations where less capable vessels seek safe havens. This gives DOF a competitive advantage in a future where extreme weather conditions will be more common.

The rapid change where the energy mix is shifting from predominantly fossil fuel to renewable energy is expected to bring new opportunities for the oil & gas sector. The knowledge and experience gained by the industry is now being transferred over to new areas such as offshore floating wind farms. This new energy industry will open up new areas for DOF where we can take advantage of our unique mooring competence and experience.

Our program within energy efficiency and environmental management capabilities will create a robustness that makes DOF prepared for any type of CO2 taxation and be the preferred partner of choice. The Climate Risk and Opportunity analysis is available on request according to the requirements in the ISO 14001 certification. ❁

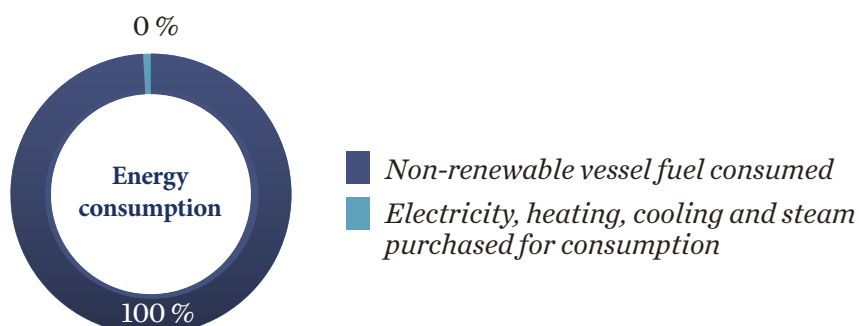


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Captain Luana took the helm of the newly delivered AHTS Skandi Angra in 2016.

## Results (continued)

Energy consumption - Figure 3



Total energy consumption within the organisation in joules (see below for conversion factors)

ENERGY CONSUMPTION	GJ
Nonrenewable fuel consumed (fuel oil and LNG, scope 1 vessels)	7 232 434
Renewable fuel consumed	0
Electricity, heating, cooling and steam purchased for consumption	19 201
Self-generated electricity, heating, cooling and steam	0
Electricity, heating, cooling and steam sold	0
<b>Total energy consumption within the organisation</b>	<b>7 251 635</b>

Electricity consumption per country - Figure 4

ELECTRICITY CONSUMPTION PER REGION	MWH
Brazil	737.0
UK	442.8
Australia	309.7
Argentina	11.3
Canada	389.2
Norway	2 734.1
Singapore	215.4
USA	494.0
<b>Total</b>	<b>5 333.5</b>

Conversion factors - Figure 5

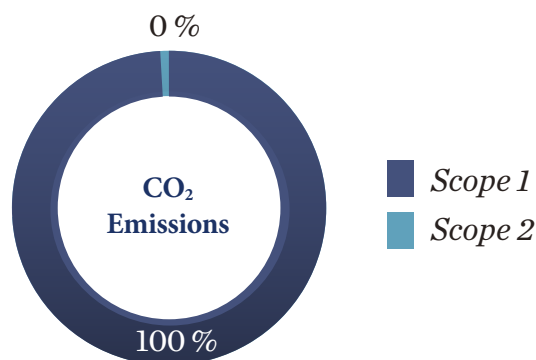
ITEM	SOURCE
Marine gas oil	Quantification of emissions from ships - Part 3 - European Commission
LNG	MEPC.281(70)
Waste (incinerated)	DEFRA 2013
Onshore electricity	DEFRA 2013
Marine gas oil energy (kWh/kg) (gross CV)	DEFRA 2013
LNG energy (kWh/kg) (gross CV)	DEFRA 2013



CO<sub>2</sub> Emissions - Figure 6

Scope 1	99.8 %
Scope 2	0.2 %

Direct greenhouse gas (GHG) emissions (Scope 1) and Energy indirect greenhouse gas (GHG) emissions (Scope 2)  
Note: Scope 2 emissions are location based.



CO <sub>2</sub> EMISSIONS	UNIT OF MEASURE	2018	2017	2016
Scope 1	ton (CO <sub>2</sub> e)	504 471	534 990	605 177
Scope 2	ton (CO <sub>2</sub> e)	1 008	1 568	1 159
<b>Total *</b>	<b>ton (CO<sub>2</sub>e)</b>	<b>505 479</b>	<b>536 558.4</b>	<b>602 542</b>

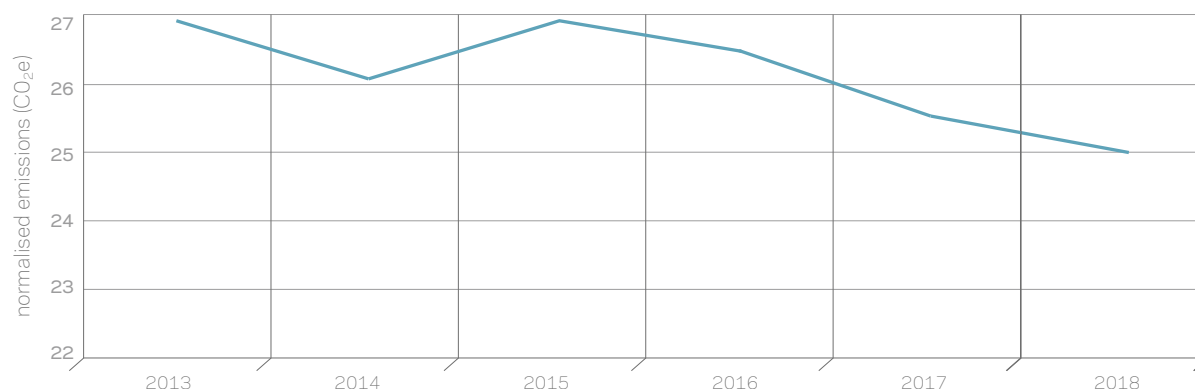
Methodology used: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition).

Notes:

- 1) Although the DOF Group started to report to the CDP in 2010 the base year chosen was 2011, since the data for 2010 was quite weak. Emissions in base year (tons CO<sub>2</sub>e) was 593 745 (Scope 1) and 700 (Scope 2).
- 2) As vessel fuel consumption has an element of inaccuracy due to the methods in which fuel consumption are recorded onboard vessels, there is a level of uncertainty associated with the final Scope 1 and Scope 2 emissions.
- 3) The chosen consolidation approach for emissions is Operational control.
- 4) GWP source: CO<sub>2</sub> (IPCC Fourth Assessment Report (AR4 - 100 year).
- 5) CO<sub>2</sub>e (CO<sub>2</sub> equivalent) includes all major greenhouse gases; carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O)

\* The table identifying factors can be found in Figure 5.

Intensity reduction targets - Figure 7



	YEAR	EMISSION PER OPERATIONAL DAYS	% REDUCTION
Verified	2018	24.9	3
Verified	2017	25.7	2.7
Verified	2016	26.4	1.9
Verified	2015	26.9	0
Verified	2014	26.1	3
Verified	2013	26.9	

The above table shows the verified emission per operational day from 2013-2018.

# Integrity

## Overview



The very corner stone of our business.  
We behave ethically, always.

### **Why is *INTEGRITY* significant to DOF:**

DOF believes that its business practices demonstrate the level of integrity expected from its workforce, clients and other stakeholders and as such, will contribute greatly to DOF's sustainability.

#### *Reputation*

DOF's reputation as a responsible and competent partner, demonstrating the highest level of integrity in all our activities, is essential as a sustainable organisation. DOF is committed to establishing fair and honest relationships with all stakeholders and to managing all conditions and situations that could impact on our reputation.

DOF strives to be as good a corporate citizen as possible in all regions where it operates. DOF actively promotes advanced involvement with all stakeholders to confirm all operations, processes and procedures are the best practice requirements necessary to maintain and promote trust with its diverse stakeholders.

#### *Repeat business*

Repeat business is a significant indicator that DOF is providing its clients with subsea and marine solutions that meet client expectations and contractual obligations. In a demanding and complex industry, repeat business shows client confidence in DOF and its teams to; plan, execute and deliver services with the highest level of competence and integrity. Client confidence helps us win future contracts.

### **What are we doing about *INTEGRITY*:**

Everyone shares the commitment to practise the highest standards of ethical business conduct and integrity in all decisions, and actions. Values-based training is mandatory, including our Code of Business Conduct e-learning module, compliance activities and the correct use of our management systems and tools.

To ensure external providers align with our values and policies,

### *How DOF defines **INTEGRITY**:*

**According to the DOF values; "We are honest, fair and equitable in all our dealings. We are dedicated to good corporate governance.**

**"We strive to do the right thing not because someone is checking, or looking, but purely because it is the right thing to do."**

the Group has invested in a more efficient, digital platform to conduct vendor evaluation which is also designed to ensure principles are upheld along our supply chain. The new vendor evaluation is mandatory for all suppliers and will produce a master supplier database in Unit 4.

The evaluation process will support quality control of approved vendors. The online forms allow for degrees of scrutiny and corresponding requirements, depending on proof of preexisting controls such as, third-party certification, for example. The less comprehensive the vendor's business management systems are, the greater requirement for evidence, so the Group can ensure it has all checks and balances in place.

### *Compliance to Law, Industry Standards and local regulations*

Operating globally DOF works to comply with regulations at both national and local levels.

DOF personnel and subcontractors are required to comply with applicable legislation, regulations and standards as well as client's requirements. The legislation, standards, codes of practice and guidelines register provides a list of applicable requirements.

Each region has developed registers of applicable legislation, standards, codes of practice and guidelines. These registers are the foundation for compliance measurement. Identified non-compliances are to be addressed by corrective measures. When DOF operates in areas where legal requirements are weak, all operations are to follow our policies and operational standards.

DOF's Management System is based upon OHSAS 18001, ISO 9001/14001:2015. The system is accredited by DNV GL. All three standards impose the organisation to monitor and measure processes against legal and other requirements.

All legislative requirements are listed in the regional Legislation

## Highlights

### Fines

There has been no significant fines or non-monetary sanctions due to non-compliance.

0

in 2018

### Corruption Cases

There have been no corruption cases in 2018.

0

in 2018

### Compliance Awareness

A compliance awareness program has been developed and will be rolled out for the entire organisation in 2019.

### UN Global Compact

DOF has implemented a new supplier evaluation program, based on the ten principles in the UN Global Compact.

- Human Rights
- Labour Conditions
- External Environment
- Anti-Corruption

### Ethics Helpline

New Ethics Helpline launched in 2018, delivered by an internationally recognised third party provider.

### *DOF 2020 INTEGRITY goals:*

Aspiring to the highest standards regarding Anti-bribery management system, the new ISO 37001 standards will apply to the structured governing documentation;

All Whistleblowing incidences captured and demonstrated as resolved in line with Group policies;

An electronic database; identifying, recording, assessment and controlling, the risks through all company activities visible to all appropriate levels within the company is deployed;

Customer Relationship Management system deployed throughout the organisation;

Modern toolbox assessed and deployed in the organisation;

Supply Chain Management deployed throughout the organisation.

# Integrity

## Overview (continued)

and Other Requirements Compliance Register according to pre-identified areas for the compliance analysis (i.e. Labour & Working Environment, Health & Safety, Vessel, Offshore Activities, Environmental issues, Emergency Preparedness).

The requirements are identified for each Business Unit, supported by the HSEQ department in conjunction with Group legal advisors. When ensuring and verifying the compliance requirements, internal governing documentation from IMS is assessed towards the applicable chapters / sections and paragraphs in the legislation, and compliance evidence is recorded in the register.

The company is subscribed to regular updates from legal databases, and register is being updated accordingly. Compliance with the requirements is verified during internal reviews, inspections, third party reviews, internal and external audits.

### *Anti-Bribery & Corruption*

DOF insist that its vendors comply with key sustainability criteria, including good working conditions. In 2018, DOF continued the practice of evaluating vendors to assess their suitability to meet DOF's requirements for a competent and reliable vendor. A key and mandatory element of the assessment process is the requirement for the vendor to declare their commitment to abide by DOF's Anti-Bribery and Corruption guidelines. Failure to comply will automatically terminate the assessment process and prevent the vendor from being approved to do business with DOF.

### *Transparency - Traceability - Trust*

It is the Board of Directors' intention that DOF shall be recognised by a high ethical standard. DOF's anti-corruption and anti-bribery measures are regularly evaluated in order to ensure that sufficient measures are in place.

### *Risk and opportunity management*

Risk and opportunity management is imperative to all DOF Group business activities. The Risk Management Manual helps DOF to identify threats and opportunities associated with the DOF business and operational activities and establish efficient means of barriers and controls in all phases of the business life cycle. The manual outlines the steps that DOF

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**DOF is an operational company with more than 35 years' experience.**

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has embraced within risk management at all levels of the organisation. The Risk Management principles and techniques align with the following:

- ISO 31000: Risk management -- Principles and guidelines;
- ISO 31010: Risk management -- Risk assessment techniques;
- ISO 17776: Guidelines on tools and techniques for hazard identification and risk assessment;
- DNV RP-H101: DNV Recommended Practice – RISK management in marine operations.

### *Modern Slavery Act*

DOF is in the process of revising the Vendor Evaluation and Recertification process to incorporate requirements to ensure that all existing and future vendors to DOF agree to abide by the principles of the Act, and that they do not promote or carry out any unlawful human rights practices, as covered in the Modern Slavery Act 2015, and also ensure that all vendors do not engage in any type of human trafficking, child or forced labour practices, etc., whilst doing business with DOF. Suppliers will be required to provide DOF with a Transparency Statement stating their position with regards to the Act and associated Human Trafficking and related exploitation practices, or a declaration that they will abide by DOF's Code of Business Conduct. Failure to comply with this requirement will automatically terminate the assessment process and prevent the vendor from being approved to do business with DOF.

### *Training*

DOF has incorporated topic specific training such as Anti-Bribery & Corruption into its training programme. Also, where necessary, DOF is committed to training all stakeholders within its supply chain to understand the practical and legal aspects of DOF's Code of Business Conduct requirements, and the possible implications and the consequences to DOF and themselves of failing to comply with DOF's requirement's, and legislative obligations.

### *Supply Chain Management 102-9*

The DOF CEO, supported by an executive management team is responsible for identifying, engaging and where necessary retaining all necessary financial, technological and organisational resources required to support the DOF Supply Chain Management global operations.

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**Risk and opportunity management is imperative to all business activities in the group.**

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DOF seeks to ensure effective and purposeful implementation of the supply chain activities for the promotion of a sustainable business. DOF's overall SCM system is comprised of three core disciplines and two support disciplines, interacting with each other as shown in Figure 8 on page 46.

All activities undertaken within the various supply chain functions meet the following criteria:

- The best interest of DOF and its partners - Add value to the supply chain system for the benefit of the company and its partners.
- Fairness, Integrity and Transparency - To achieve the best value for money, whilst protecting the company from unwanted and / or illegal practices such as: fraud, corruption, collusion and other unethical practices.
- Best value for money - Trade-off between price and performance that provides the greatest overall benefit under the specified selection criteria.
- Effective competition - Ensure where possible, that there is a sufficient number of independent prospective vendors, allow competition to supply between the vendors, non-discriminatory selection criteria.

Procurement is central to DOF's overall Supply Chain Management system. It ensures that all procurement activities conducted by DOF are performed in a standardised and controlled manner and consistent with DOF's policies and in accordance with contractual obligations and client requirements and expectations.

The procurement of goods and services is undertaken in a manner that reduces the level of risk and cost for DOF and our clients whilst maintain the highest level of quality, reliability and integrity possible.

The Procurement Management process operates in conjunction with the Contract Management and Logistics management processes to achieve a seamless transition of information and knowledge flow between the various activities to ensure an effective and efficient overall supply capability that supports all DOF entities and projects.

Under the vendor evaluation process all suppliers to DOF are required to provide their current Transparency Statement, or if none exists, agree to operate in accordance with the DOF Code of Business Conduct.

DOF's global supply chain, which in 2018 consisted of almost

4,200 suppliers of goods, services and equipment, including newbuilding yards contractors.

As a global company offering fully integrated services for the oil and gas industry, a significant amount of its procurement spending in 2018 was comprised by bunkering, lay spread equipment, crew agency services, specialised equipment hire, employee travels, vessel hire among other services.

In 2018 the regional split (see Figure 8) for suppliers was as follows: Asia Pacific 17%, Atlantic 48%, North America 14% and South America 21%.

#### *Risk and Opportunity Management*

DOF is an operational company with more than 35 years' experience and has an active approach to future risk and opportunity from a sustainability perspective. DOF strives to clarify its long-term potential, including strategy, value drivers and risk factors, to its main stakeholders.

The aim of DOF is to produce lasting value for its stakeholders, and a long-term competitive return on the investment of its shareholders. The Board of Directors and the Management regularly evaluates long-term risk and opportunity and potential impact on strategic decisions taken today.

DOF's policy is to continue to invest in the local communities where it operates, as DOF and the local communities are mutually dependent on each other. This includes investing in training and building technical competencies of our employees and focusing on a local workforce.

DOF's operations are based on asset investments with a long-life span, of up to 30 years. DOF's policy is to have a modern and multipurpose fleet, renewing and converting it over time to ensure that it implements new technology and maintains an attractive and energy efficient fleet to serve our customers and potential new markets.

Our approach is to continue building assets and engineering competencies enabling DOF to be a long-term supplier for offshore industries. DOF also emphasises the potential opportunity within offshore renewable energy projects, where DOF can continue to build on its capacity to construct and deliver advanced offshore vessels servicing the industry.

In its operations, balancing risk and opportunity is a key concept for DOF; performing operations in low risk areas,

# Integrity

Offshore personnel review the procedure to launch the MOB.

## Overview (continued)

such as long-term charter of vessels, balanced with more complex operations within subsea projects. Coupled with a global presence, DOF has diversified its risk exposure in today's global offshore oil and gas market. DOF is committed to maintaining a focus on diversifying its risk exposure and adapting to changing landscape of risk and opportunities.

### Compliance awareness training is mandatory for all management levels in DOF.

Equally important, is DOF's approach to forming strategic partnerships arrangements with its own supplier and contractors with the intention of collectively developing a more cost effective and efficient local, regional and global supply chain which benefit DOF and clients.

#### *Our focus for 2019*

DOF sees an increase in activity in areas that have low scores in indexes such as Transparency International's Corruption Perceptions Index. This requires us to make extra efforts to ensure that we can meet standards we set for ourselves in our Code of Business Conduct. These efforts include strengthening DOF's due diligence processes for business in challenging areas.

Within DOF Subsea, the distribution of risk between Subsea and IRM projects and long-term charter has been quite stable over the last year 3 years (ref. Figure 9). Subsea and IRM projects are normally regarded to have a higher risk profile compared to long-term chartering of vessels. The distribution of project levels are outlined in Figure 10.

By using local suppliers and infrastructure, we support many companies and organisations that are outside the DOF core business, although vital to deliver successful operations to our clients. It is difficult to quantify the exact monetary value of this contribution; however, a conservative estimate is that one DOF employee creates one job position outside of the organisation. This estimate is based on various studies performed by the oil & gas industry trade organisations.

The Board of Directors, is in its assessment of the scope and volumes of dividend, emphasises security, predictability and stability, dividend capacity of the Company, the requirement for healthy and optimal equity as well as adequate financial resources to create a basis for future growth and investment, and considering the wish to minimise capital costs.

#### **What are future goals with INTEGRITY:**

**Industry Leader** - To leverage global assets, knowledge and operational expertise, to strengthen the position towards being recognised as an industry leader capable of delivering large scale projects that add benefit to all stakeholders.

**Global Partner of Choice** - working with global operators, as a committed and reliable organisation that can supply all key assets and services as part of a business partnership. Where DOF assists its partners to develop optimum solutions for the benefit of both organisations, and other relevant stakeholders.

Various initiatives will be undertaken to increase the awareness of our employees in high-risk areas with regards to facilitation payments. The importance of being prepared, having the correct documentation when entering immigration should be understood and adhered to.

The new ethical helpline, launched at the end of 2018, will be actively monitored and communicated as a way to report unacceptable conduct when normal reporting channels cannot be used. The service offers analytical capabilities and will allow DOF to identify trends and respond to areas that require attention.

A new database for performing vendor evaluation will be launched, and all of DOF's vendors will be required to perform the questionnaire. The questionnaire contains a self-assessment within the areas of Corporate Social Responsibility and Anti-Bribery and Corruption, based on the UN Global Compact.

In 2018, a Compliance Awareness Training course was developed, and some training sessions were performed in a class room model. This training will continue in 2019, and the target audience for the class room training is executive management, middle managers and department heads. During the year the compliance awareness program will be a central part in the new DOF workbook and delivered to all employees in the Group. The objective is to raise awareness and reinforce the mantra that "we are all compliance officers." ✿

### DOF uses the UN Global Compact during vendor evaluations.





# Integrity

## Results

During 2018, major activities have been initiated to strengthen the integrity of the Group.

**Tax strategy** - In 2018, the DOF tax strategy was reaffirmed and approved by the Board of Directors. The tax strategy is detailed separately.

**BEPS alignment** - Establishing and reporting transfer pricing according to BEPS action 13.

The printed version of the new Code of Business Conduct was distributed to all vessels, worksites and personal copies to all employees. An updated e-learning module was released, and made available online and also delivered to all vessels as an offline solution.

**Supplier evaluation** - DOF entered an agreement with a company providing a database for vendor evaluation. During 2018 the approach to transition from a paper system to an electronic database was decided and preparation was made for changes to the process.

**General Data Protection Regulation (GDPR)** - A task force was established to ensure DOF's compliance with EU's new privacy regulations, GDPR. The task force has performed mapping of systems, risk analysis and developed new set of IT standards describing how DOF secures individuals' personal information.

**Compliance Awareness** - A new guideline describing DOF's compliance activities was developed. In conjunction with this, a class room training program was developed, and some sessions have been performed.

### *DOF Tax Strategy*

DOF aims to achieve excellence in all its operations in every jurisdiction it operates.

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**In 2018, there were no confirmed incidents of corruption, and there was not any legal action pending or completed regarding anti-competitive behaviour, anti-trust or monopoly practices against DOF.**

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By providing a Tax Strategy, DOF ensures that all tax obligations are complied with in a timely, efficient and cost-effective manner, in all project locations.

DOF is mindful of its responsibility and is committed to paying the amounts of tax legally due in any country in which it operates, in compliance with applicable laws and conventions and in accordance with DOF's Code of Business Conduct.

The strategy aims to demonstrate good corporate practice in the area of tax management and tax transparency, balancing the interests of the various stakeholders, including customers, shareholders, employees and society at large.

### *Governing Documents*

The most important governing document

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**"DOF endeavours to comply with recognised industry standards and guidelines."**

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in DOF is the Code of Business Conduct that was released electronically and with physical copies in 2018. The principal policies and guidelines are regularly reviewed and communicated both in house and to external parties. Central guidelines in the code cover business integrity and ethics, equal rights and opportunities for employees/new recruits.

Besides the Code of Conduct, CoC, further improvements were made to internal communication of DOF's ethical guidelines and business conduct with the release of an updated electronic training module made available to and mandatory for all employees. The Code of Conduct sets clear expectations on all employees, and provides examples of dilemmas that our people may encounter. The training is also publicly available at [www.dof.com](http://www.dof.com).

Additionally, executive and middle management receive regular training regarding anti-bribery and anti-corruption measures.

During 2018, the reporting mechanism for compliance incidents has been actively used on both local and Group level, and compliance incidents were handled and concluded in accordance with the requirements in the policy framework.

### *Legal compliance 205-3 / 206-1*

In 2018, there were no confirmed incidents of corruption, and there was not any legal action pending or completed regarding anti-competitive behaviour, anti-trust or monopoly practices against DOF.

### *Operations assessed for risks related to corruption 205-1*

In regions with a high risk for Bribery and Corruption, DOF has used the know-how of DOF Subsea UK, subjected to the ruling of the Bribery Act 2010, to frame the approach to Bribery and ethics.

Bribery Risk Assessments are performed and recorded on a regular basis regarding operations of the Group, given the risk potential.

However, risks identified out with the formal Risk Assessment on an ad hoc basis will be added and analysed as appropriate by Regional HSEQ Managers in all the locations where DOF operates.

In addition, assessment related to Business Integrity and Ethics is mandatory in all projects identified as level 3 and above. In 2018, out of 113 projects, 68% were within levels 3-5, and consequently assessed for risks related to corruption. There were no significant risks identified that had not already been treated by existing DOF standards and policies. Control and mitigation required is based upon project risk and complexity (Figure 11).

DOF is committed to conducting our global operations in compliance with best practice techniques and principles allowing demonstration of strong business integrity and ethical conduct.

A Risk Identification workshop demonstrated this commitment through performing a gap analysis of legal and other requirements in addition to highlighting areas where DOF are most at risk of non-compliance. The workshop was attended by senior management representatives who are either accountable or knowledgeable in the areas of business ethics, bribery or legal matters.

Overall, this Risk Identification process showed a substantial degree of control over managing bribery and business ethics risks at a Group level. There are however actions recommended from this workshop that are considered significant in maintaining business continuity and our duty of care as a responsible organisation. A review was

performed in February 2019 to validate the risk assessment and make any necessary adjustments.

It should be noted, that this level of control against business ethics and bribery risk is applicable to DOF level. At business unit and worksite levels of the organisation, it is necessary for measures to be implemented so as to manage compliance against local risks and requirements.

In the UK, DOF follows the ruling of the Anti-bribery act of 2010, and in other regions where DOF operates, a detailed process is followed according to guidelines for Business Acquisition in DOF, including Legal Contractual Risk Assessment, Commercial Risk Assessment, Technical Risk Assessment and Insurance Review.

Risks identified related to corruption may vary according to the activity the company is engaged in. For example, during the tender selection key risks encompass: facilitation payments, excessive hospitality and excessive promotional expenditure, to provide a client with excessively luxurious accommodation or transportation, and offer of favourable prices in return for a personal gain.

Regarding donations and sponsorships, they are organised in a transparent way and are regularly being checked and audited by external bodies such as PwC and equals.

A typical donation can be towards an athletic organisation where DOF donates a fixed sum for sponsoring a sport arrangement. DOF get its name on posters or clothes and in return the company will receive an invoice from the athletic club. The invoice will refer to an agreement. Other sponsorships can be towards named athletics with a half yearly payment. This is regulated in a joint agreement signed by both parties.

With respect to donations to support bereaved with education in case of the death of a DOF employee, a separate donation committee is organised by external lawyers. As a guest DOF will donate a given sum of money and this will be followed up by collection given by DOF employees.

In Brazil, DOF donates money to established and reputable organisations that run schools and educational programs. These donations are based upon written agreements and payments are based upon invoices referring to the agreements. The agreements are part of the annual audit scope performed by external auditors.

In general, all payments in DOF are regulated in the authorisation matrix. The “four eyes” principle is built into this. The entire payment process is under strict control and in case of donations and sponsorship these rules will apply.

Projects on level 3 and above (ref. Figure 11) are assessed regarding risk for bribery and corruption. However, regional Executive Vice Presidents may deviate from this requirement by a Management of Change process. Due to this possibility for deviation, it is currently not possible to obtain an exact number of projects where bribery and corruption risk assessment has been done. Going forward, DOF intends to update routines and processes to capture this information.

*Communication and training on anti-corruption policies and procedures 205-2*  
DOF's Business Integrity and Ethics policy is approved by the Board of Directors. This policy is available on the public website, intranet, and posted at all work sites globally. In addition, the policy is communicated to both suppliers and clients through the business processes.

The policies are reviewed regularly in



## Results (continued)

management review at regional and corporate level. Any changes proposed are given final approval by the Board of Directors.

Introduction training is provided to all employees in DOF, regardless of their role and position. Eight e-learning modules are mandatory, including a module regarding Business Ethics and Code of Conduct, which covers many issues regarding anti-bribery and anti-corruption policies. In addition to completing the module at the start of employment, it must be completed again every two years. In 2018, approximately 1 300 employees completed the module.

One of the aims is to provide to the executive and middle management team regular training regarding anti-bribery and anti-corruption measure.

Board members are on a quarterly basis informed about any cases, changes or results of audits within the area of Anti-Bribery and Corruption.

Business Integrity & Ethics is a mandatory part of the yearly appraisal between managers and employees. This is an important opportunity for monitoring awareness and consciousness of DOF's values.

### *Financial assistance received from government 201-4*

DOF has not received any significant financial assistance from the government during the reporting year, nor is the government present in the shareholding structure.

### Singapore

- Tax relief and tax credits:
  - » USD 29 169 Cash payout (productivity and innovation credit)
  - » SGD 38 666 Cash payout (productivity and innovation credit)
- Other financial benefits
  - » USD 3 733 Employment credit

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**"In 2018, there were no significant fines or non-monetary sanctions related to accounting fraud, workplace discrimination, or corruption in the jurisdictions where DOF operates."**

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### Brazil

- Export Credit Agencies
  - » BRL 31.4 million financed through BNDES

### UK

- Tax relief and tax credits:
  - » GBP 97 124 (R&D tax relief)
- Other financial benefits
  - » GBP 3 000 Employment Allowance

### *Commitments to external initiatives 102-12*

DOF endeavours to comply with recognised industry standards and guidelines published by various organisations connected to the oil & gas industry, such as International Maritime Organisation (IMO), International Marine Contractor Association (IMCA), International Association of Oil & Gas Producers (IOGP), International Organisation for Standardisation (ISO), and class

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**"DOF endeavours to comply with recognised industry standards and guidelines."**

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societies (DNV GL, Lloyd's etc.).

In the marine segment, a robust system is also in place to allow that vessels and offshore personnel are in compliance with laws and regulations in the locals of operation.

DOF have built up a Integrated Management System (IMS) based on compliance on the IMO regulations and audited and approved by DNV GL and a Document of Compliance certificate is issued. An annual audit is conducted on the company to verify that the company complies with the requirements of the International Management Code for the Safe Operation of ships and for Pollution prevention. The DOF internal audit program is annually updated to ensure updates on new regulations are implemented and adhered to in the company.

All the Vessels owned by DOF are also audited annual by DNV GL under the same IMO legislation vessel by vessel. The vessels are also audited under the internal audit program.

DOF Management utilises DNV GL Navigator, which provides regular updating of all IMO legislation and flag state requirements on vessel. Any changes in legislation as well any vessel recertification are communicated on a daily basis to our managers.

In 2013 DOF Management successfully implemented the Marine Labor Convention (MLC) on all NIS / NOR, BAH, Cyprus and IOM flagged vessels. In addition, vessel managers ensure that all DOF vessels comply with the SOLAS regulations for Life Saving Appliances (LSA) & Fire Fighting Equipment on board and that masters and officers are given the required training to operate in safety.

*Memberships of associations 102-13*

In order to facilitate interaction and collaboration with different sectors of the offshore industry, DOF is an active member of many industry associations in the locations where it maintains operations. In addition, there is regular participation by DOF's representatives in projects or committees of those associations.

The International Marine Contractors Association (IMCA) is the international trade association representing companies and organisations engaged in delivering offshore, marine and underwater solutions. DOF has been an IMCA member for many years, and has since 2015 been an International Contractor member.

IMCA defines the International Contractor membership as follows;

"International Contractor - ICO This category of membership has been developed for contractors who have an international presence -operating in 3 or 4 of the IMCA regions - as offshore oil and gas construction contractors. Such companies should be able to demonstrate their marine construction capability, set out their geographical presence and their commitment and involvement with IMCA."

**DOF Subsea APAC**

- APPEA (Australian Petroleum Production & Exploration Association)
- Subsea Underwater Technology (SUT)
- Subsea Energy Australia
- Industrial Foundation for Accident Prevention (IFAP)
- Offshore Project Safe - Steering Committee member (Region EVP)

**DOF Subsea UK**

- British Safety Council
- Subsea UK
- Oil and Gas UK

**DOF Brasil**

- Abespetro (O&G Association)
- Abeam (Shipowners / Vessel Operators Association)
- Syndarma (Shipowners Union)
- Abran (NSA - Norwegian Shipowners Association)
- NBCC (Norwegian-Brazil Chamber of Commerce)
- AEPM (Association for the Specialisation of the Seafarer)

**DOF Management**

- Norwegian Shipowners Association
- Bergen Shipowners Association

**DOF North America**

- American Society of Safety Engineers - ASSE
- International Organisation for Safety and Health - IOSH
- International Association of Drilling Contractors - IADC

*Compliance 419-1*

In 2018, there was no significant fine or non-monetary sanctions related to fraud, corruption or workplace discrimination under the jurisdictions where DOF operates.

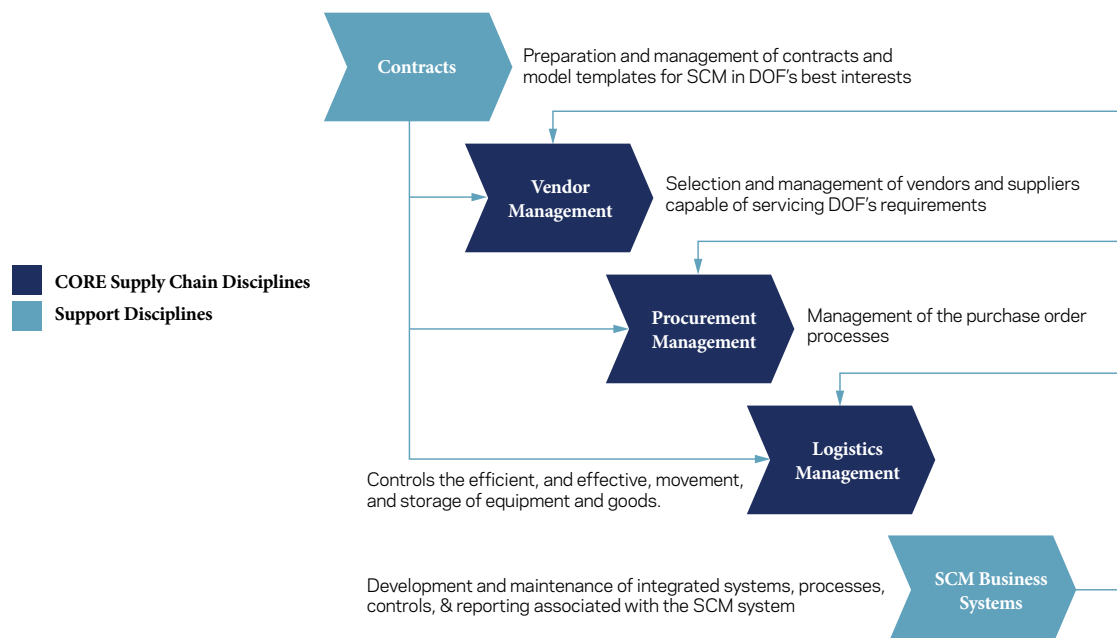
*Supplier screening 414-1 & 308-1*

DOF vendor evaluation questionnaire is comprised of three parts. All vendors must complete part one, while completion of the two other parts are subject to DOF's assessment of the vendor's risk / exposure. These parts that are completed by medium or high risk / exposure vendors includes criteria related to both environmental and social matters.

In 2018, 4% of the new suppliers that are approved fell within the medium or high risk / exposure category and consequently completed the parts of the form that relates to social or environmental matters. ☸

## Results (continued)

Supply Chain Management - Figure 8



General information regarding our Supply Chain Management is also given on page 13 under the Business Overview chapter.

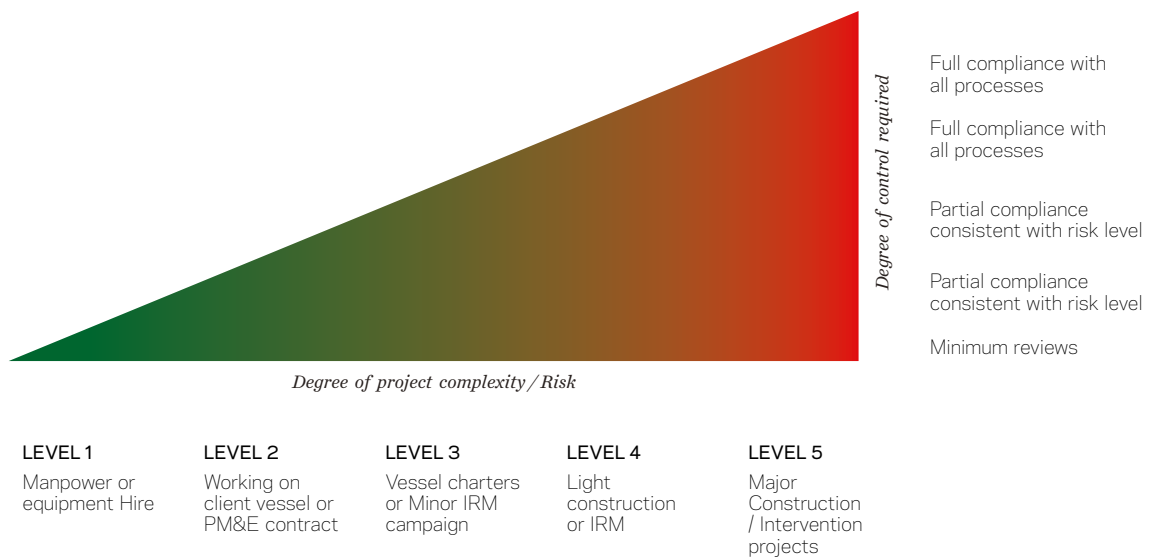
DOF 3 - Revenue per segment (DOF Subsea) - Figure 9

	2018	2017	2016
Subsea projects	71%	69%	65% (81%)
Chartering of vessels	29%	31%	35% (19%)
Total revenue (NOK Million)	4 607	4 550	5 424

Note that the definitions of the segments have changed from 2016 to 2017. The 2016 figures in brackets indicate the distribution according to the 2017 definition.

Distribution of projects per project level (DOF Subsea) - **Figure 10**

Level 0: Budget Pricing	0.9 %
Level 1: Manpower or Equipment Hire	23.0 %
Level 2: Working on Clients Vessel or PM&E Contracts	8.0 %
Level 3: Vessel Charters or Minor IMR Campaign	55.8 %
Level 4: Light Construction or IMR	11.5 %
Level 5: Major Construction/Intervention Projects	0.9 %

Degree of complexity / risk compared to degree of control required - **Figure 11**

Overall risk management process in DOF is the balance between complexity of risk and complexity in a project, and degree of controls. The figure above gives a visual view on how project levels are combined with what part of the business management system that need to apply.

# Teamwork and labour rights

## Overview



DOF requires all parties to participate and collectively strive to develop best practice solutions aligned with DOF's values and regional and corporate objectives. Within the same framework, DOF follows a practice that conforms to international standards for human rights, and Group operations are managed in accordance with fundamental labour standards.

### **Why is TEAMWORK significant to DOF:**

In the complex business markets in which DOF operates almost every change initiative or project solution is developed and delivered by teams. Willing and enthusiastic participation and collaboration between team members is the key success factor for all teams. DOF acknowledges that it is due to the successes of past and current DOF teams at every level, that has built the professional and respected company we are today. Going forward, the need for professional and competent teams is crucial to achieving DOF's strategic goals.

#### *Competency*

The ability to ensure competency level of its workforce is of paramount importance to DOF's future sustainability. Competency must be assured at all levels within the organisation, from junior graduates to senior management, whether within the corporate service disciplines or the project support disciplines. Clients must be confident that DOF has the necessary competencies to identify, understand, plan, execute, and manage all aspects of the client specific scope of work obligations and expectations.

#### *Leadership Development*

DOF offers supervisory and leadership training to its employees in order to provide them with the desired level of competency in the skills necessary to effectively and efficiently undertake corporate and operational activities. It is the objective of the

### *How DOF defines TEAMWORK:*

**According to the DOF values: "Everything we achieve is as a result of teamwork. Each of us is responsible and open in our professional relationships, co-operative and collaborative, treating one another with dignity and respect."**

**"We do not blame, we find and share solutions and we learn from mistakes. From this platform we build diverse and global teams and strive for free exchange of ideas, experience and knowledge, worldwide."**

Leadership development program to promote and advance leadership skills to improve management effectiveness throughout the organisation.

DOF has also identified that in addition to formal training routes, that there are opportunities for DOF to utilise its subject matter experts, to administer specialised training on system or operational topics where theory is supported by the presenters' own real-life experiences.

The development of current and future leadership group is integral to our continuous improvement efforts. By developing the individual and sharing capabilities across the company we advance the organisation's capacity and capability to achieve our objectives.

### **What are we doing about TEAMWORK:**

In order to build strong and capable teams, DOF pays serious attention to the identification and selection process of determining how teams are built and supported; how to select appropriate team members to combine their skills and experience and work together productively. Equally important is an individual's social skills, how they conduct themselves emotionally and

behaviourally whilst interacting with other team members and management. DOF is fully committed to training and developing key employees to either be part of important teams, or as potential leaders of its major project teams.



## Highlights

### Workplace Harassment

Incidents of workplace harassment:

0  
in 2018

### People

People in the DOF Group as of 31  
December 2018

3,578  
in 2018

### Performance Reviews

DOF has a goal that 100% of eligible staff  
will have annual performance reviews.

### Working Environment Surveys

DOF Subsea performed a working environment  
survey in 2018 and will focus on follow-up in 2019.  
DOF Management and Norskan will perform a global  
survey in 2019.

### Modern communication

DOF will roll out new tools in 2019 to  
significantly improve communication and  
collaboration, across organisations and  
borders.

### *DOF 2020 TEAMWORK goals:*

Target for GPTW as good  
as last measured;

In 2017 the Unit 4  
Performance Appraisal  
module will be deployed in  
the Group and standardise  
the process.

## Overview (continued)

### *Labour rights & relations (employee satisfaction)*

DOF is committed to be a great place to work, encouraging and supporting all employees to reach their full potential and ensuring that all employees live DOF's vision and values. The entire group has systematically performed working environment surveys the last six years. Surveys are conducted every second year, followed by two-year improvement processes. This practice is highly appreciated by employees and a good tool for managers to receive feedback from the workforce.

DOF follows a practice which conforms to international standards for human rights, and Group operations are managed in accordance with fundamental labour standards. Our guidelines and standards are based on the ILO Convention that prohibits all use of forced labour or child labour. DOF recognises and respects the employees' right of association, organisation and collective bargaining, and the company guidelines conform to the labour regulations stipulated by all local authorities.

### *Labour / Management Relations*

DOF is part of an industry known to be cyclic in down times with redundancy and down-sizing. DOF believes it is essential to keep a continuous dialogue with employees' representative and trade unions. It is inevitable workforce numbers will change according to demand, however DOF will do its utmost to assist employees affected by down-sizing, and have a robust program to support those employees with career and financial counselling.

### *Training and Education*

The DOF training framework is based on nine key strategies:

- Cultivating DOF Core Values, Safe the RITE way
- Partnering with different business units to establish core competencies
- Leveraging on our intellectual capital
- Investing in Strategic Learning
- Aligning Strategies with Corporate Objectives
- Broadening Learning Activities
- Focusing on Performance Solutions
- Speeding up knowledge transfer and knowledge retention
- Building our employee branding

In addition to training for DOF employees, all third-party personnel onboard our vessels must complete a vessel induction process, which encompasses familiarisation with the vessel, DOF's operational standards and Code of Business Conduct, and mandatory e-learning modules covering Permit to Work, -Management of Change and Risk Assessment.

### ***What are future goals with TEAMWORK:***

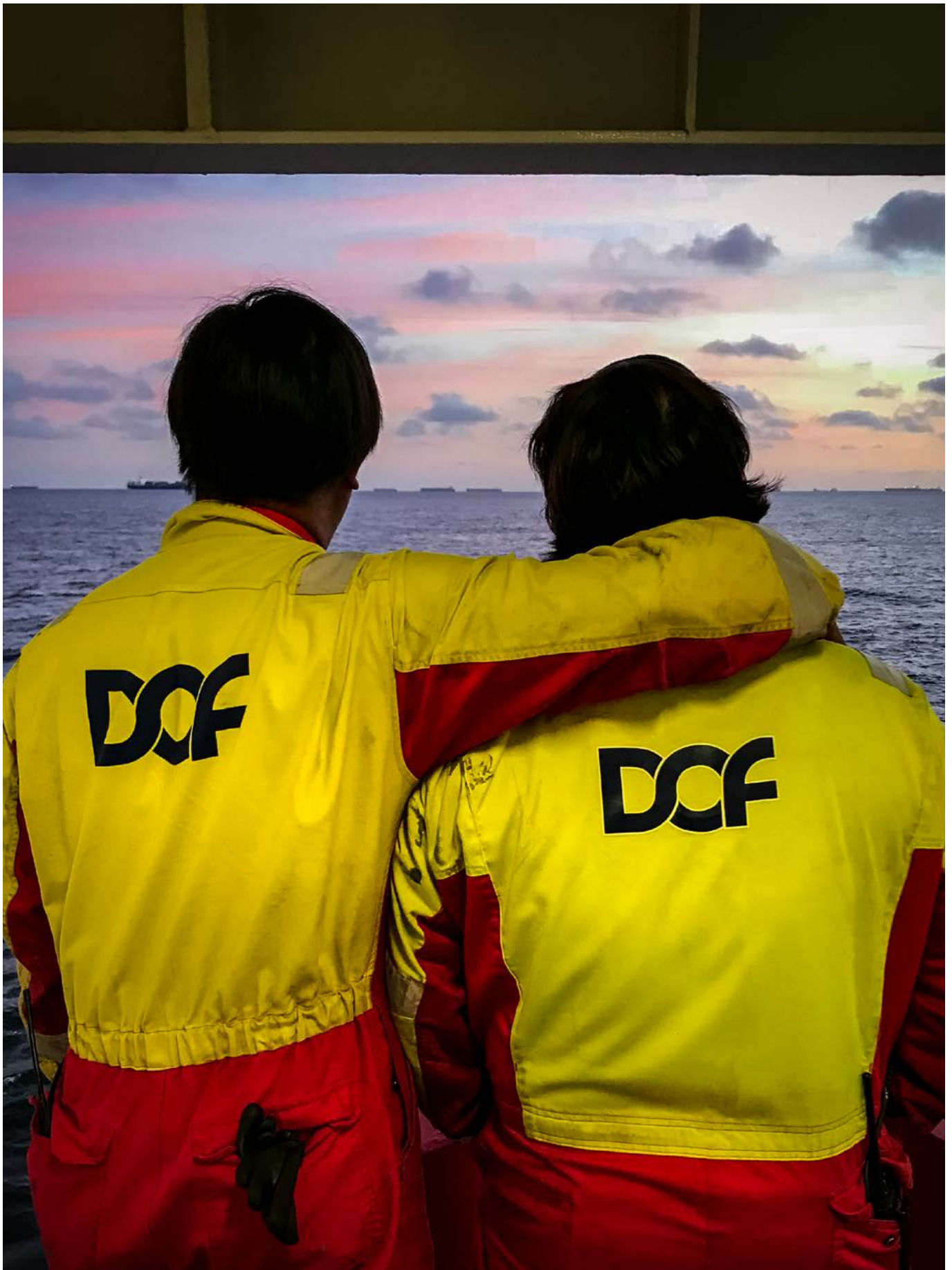
The future plan is to build on the strengths of teams acting locally, whilst thinking globally so that the efforts of one team can be quickly replicated or adapted in another region with the minimum of disruption to existing operations. The ability to harness the creative talents from a particular region, by incorporating their solution into a potential business opportunity in another region, will enable DOF to respond to clients with timely, proven solutions and resulting in a cost-effective outcome, win-win scenario for DOF and its clients.

To support the team, DOF will increase the use of Subject Matter Experts selected from appropriate regions that will provide both corporate, and the project related teams with the necessary expertise associated with specialised services such as Diving, ROV, Engineering, etc. The implementation of new collaboration tools in the 'modern toolbox' will support this effort.

During 2019 various initiatives within the core HR areas of resourcing, attraction, privacy compliance, retention and development of employees will be executed. We will remain committed to source talent and to continuously develop our employees to be agile to adapt to market changes. In addition, efforts will be made to develop various social media platforms, both internal and external, to improve communication with our workforce and external stakeholders.

### *Our focus for 2019*

In 2019, DOF will start to take full advantage of modern platforms for communication and collaboration. This includes an Enterprise Social Network solution to improve workforce communication by making it easier to communicate and allowing interactive communication. New tools for collaboration will allow for more efficient collaboration across all DOF entities and regions. A project will also be initiated to improve the way information is made available to offshore personnel. 🌀



## Results

Substantial effort was made in 2018 to modernise the communication channels in DOF, bringing the team closer together. The strategy for communication management was updated, to clearly outline roles, responsibilities and authority for both internal and external communication. This strategy has been the foundation for the implementation of modern communication and collaboration tools available in the 'modern toolbox'.

During 2018, development continued on the Human Resources Information System (HRIS) for the Subsea organisation, with new and more accessible modules available. In marine organisation, there were significant improvements made in the HR and crewing system, particularly within the area of competence management and exchange of information between vessels and onshore.

Various regional initiatives were developed, including productivity workshops, leadership training, development of presentation skills, technical qualification programs and refining training matrixes. All of these initiatives contribute towards our recognition that "Everything we achieve is as a result of teamwork".

### *Our Employees*

DOF aims to provide all employees with a safe working environment where they can advance their careers, develop their expertise and have a flexible working day. The focus on DOF's fundamental values – respect, integrity, teamwork, excellence and safety – has resulted in an improvement in individual efficiency and productive attitudes among our employees. DOF has a long-term plan for training and development of its employees. As part of this plan, DOF has completed a number of courses for employees during 2018, via the DOF training framework.

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**"Teamwork has contributed enormously to DOF's ability to develop innovative solutions, that align and integrate with client dictated requirements and operating schedules."**

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Diversity and inclusion has always been of high importance to DOF. The Equal employment Opportunities policy ensures a fair recruitment process. Candidates are treated fairly, professionally and with respect. DOF employs the most competent person for a position based on their skills, knowledge and experience.

The implementation of standardised Human Resource Systems for both marine and subsea will give DOF greater flexibility; there will be fewer physical restrictions to access information across the regions. Global, efficient HR processes will be required for DOF to capitalise on growth opportunities and compete in a global marketplace. Practically, the HR system projects will support financial and risk management in DOF's business and make HR processes familiar and interchangeable worldwide.

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**"We do not blame, we find and share solutions and we learn from mistakes."**

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Our staff is comprised of 81% full-time employees and more than 2,200 employees are covered by collective bargaining agreements (73%).

### *Coverage of the organisation's*

#### *defined benefit plan obligations 201-3*

DOF operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

a) Defined contribution plans - For defined contribution plans, DOF pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. DOF has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

b) Defined benefit plans - Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are

denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

*Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation 401-2*

Standard benefits to employees can greatly vary depending on the country's legislation where DOF operates. The key regions for the marine and subsea operations are the Atlantic encompassing companies located in the UK, Norway; South America in Brazil and Argentina; North America in USA and Canada; Asia Pacific in Australia, Singapore. In general, the same benefits apply to full-time and temporary or part-time employees, with minor variations in the coverage depending on the region / country where they are located.

*Minimum notice periods regarding operational changes, including whether these are specified in collective agreements 402-1*

The minimum notice periods may vary, depending on collective bargaining agreements, individual agreements and statutory requirements. A summary of the practices in the different regions where DOF operates is given below.

Asia Pacific - In Australia, the Modern Awards or Fair Work Act Regulatory documents' states that employers shall "...as soon as practicable..." notify the employees of any change that is likely to have a significant effect on the employees of the enterprise. In Singapore, the Ministry of Manpower do not prescribe notice periods. In Philippines labour law there is no minimum notice period prescribed, however DOF seeks to practice and provide a fair and consultative process, giving as much notice as practicable possible.

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**"The implementation of standardised Human Resource Systems for both marine and subsea gives DOF greater flexibility."**

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Atlantic - In UK there is a minimum of one month's notice provided for major operational changes affecting employees and for statutory requirements, notice will be in accordance with valid regulations.

In Norway, the minimum number of notice period defined in the relevant national working legislations or in the employment agreement varies from 4 to 12 weeks. However, there are quarterly meetings with Union representatives and the work environment committee to address organisational and operational changes. Any major issues concerning the operations that would affect employees would be debated with the employee representatives before executed.

South America - In Brazil, the period varies depending on the years of work. In case of contract rescission, the employer must give one-month notice + 3 days for every year worked in the company before executing it.

North America - In the USA, there is no defined minimum notice period, however there are limited circumstances which trigger statutory requirements. In Canada, the minimum period of notice in terms of changes in employment is based on a number of factors, including the circumstances of the change. In general, circumstances outside the control of the employer do not require any significant notice. However other notice that may affect the employment status is given based on years of service.

*Percentage of employees receiving regular performance and career development reviews, by gender and by employee category 404-3*

DOF seeks to conduct annually career development reviews / appraisal for all eligible employees (depending on operational area / type of position) together with their managers.

An overview of performance reviews is given on page 56 (Figure 15).

*Non-discrimination 406-1*

In 2018, there were no incidents or allegations where it was concluded that discrimination had taken place. ☸

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**In 2018, there were no incidents or allegations where it was concluded that discrimination had taken place.**

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## Results (continued)

Summary of pension schemes - Figure 12

ATLANTIC	<p style="text-align: center;"><b>Norway (DOF Management / DOF ASA)</b></p> <ul style="list-style-type: none"> <li>▪ In total 24 (17 active, 7 retired) people are covered by the two Defined benefit plans in DOF Management AS and DOF ASA. The plans are closed. DOF Management now operates with a defined contribution plan.</li> <li>▪ Pension liability in DOF Management AS amounts to NOK -896 673 at of 31.12.2018 (is a receivable). (actuarial calculation stipulates that pension liability is NOK 34 179 953 and pension assets are NOK 35 076 626).</li> <li>▪ Pension liability in DOF ASA amounts to NOK 2 520 957 as of 31.12.2018. (actuarial calculation stipulates that pension liability is NOK 8 753 168 and pension assets are NOK 6 543 740).</li> <li>▪ DOF Management AS and DOF ASA external actuarial pension calculation is as of 31.12.2018 (calculated in January 2019 with the latest changes to assumptions)).</li> <li>▪ Plan is covered.</li> <li>▪ The defined benefit plan ensures covered persons 70 % of salary.</li> <li>▪ The employee gets the value of the fund paid in monthly payments when the employee reach the age of pension</li> <li>▪ All pension costs are covered by the employer</li> <li>▪ Employees not part of the defined benefit plans have a defined contribution pension plan. A percentage of salary is paid to an insurance company in line with the earnings of wages.</li> <li>▪ All employees not part of the defined benefit plans are part of the pension scheme.</li> <li>▪ Pension fund is handled by the insurance company.</li> <li>▪ The company has no liabilities or obligation after payments to the insurance company on behalf of the individual employee.</li> <li>▪ The individual employee's fund is based on actual payment done by the company and actual returns on funds.</li> <li>▪ The employee gets the value of the fund paid in monthly payments when the employee reaches the age of pension</li> </ul> <p style="text-align: center;"><b>Norway (DOF Subsea)</b></p> <ul style="list-style-type: none"> <li>▪ DOF Subsea Norway has two Defined Benefit Plans that both are invested with a life insurance company. One agreement covers the onshore employees that had turned 54 in 2011, the second one covers all the offshore people (seamen) in the age period of 60-67 years.</li> <li>▪ Liability for defined benefit plan for DOF Subsea Norway was NOK 26.9 million at end of 2018. Total funds held by life insurance company is NOK 21.8 million. The coverage is currently 80%.</li> <li>▪ The defined benefit obligation is calculated by an independent actuary using the projected unit credit method.</li> <li>▪ DOF Subsea AS has estimated NOK 1 021 131 in pension commitments. The defined benefit plan is closed and only 2 persons are covered in the pension scheme. All other employees are moved to the defined contribution plan</li> <li>▪ DOF Subsea AS and DOF Subsea Norway AS have a defined contribution pension plan for employees. A percentage of salary is paid to an insurance company in line with the earnings of wages. The companies have no pension liability.</li> <li>▪ All employees not part of the defined benefit plans are part of the pension scheme.</li> <li>▪ Pension fund is handled by the insurance company.</li> <li>▪ The company has no liabilities or obligation after payments to the insurance company on behalf of the individual employee.</li> <li>▪ The individual employee's fund is based on actual payment done by the company and actual returns on funds.</li> <li>▪ The employee gets the value of the fund paid in monthly payments when the employee reaches the age of pension</li> </ul> <p style="text-align: center;"><b>UK</b></p> <ul style="list-style-type: none"> <li>▪ There is no liability for the company</li> <li>▪ In UK there are no defined benefit plans</li> </ul>
SOUTH AMERICA	<p style="text-align: center;"><b>Brazil</b></p> <ul style="list-style-type: none"> <li>▪ There is no liability for the company</li> <li>▪ In Brazil the company holds a private pension plan on a private bank</li> <li>▪ Pension Plan is based on salary percentage contribution from both employee and the company. Department</li> <li>▪ Manager and above positions may contribute with 10% while for other employees the limit will be 4%</li> <li>▪ Scheme is voluntary and it is estimated that 40% of all employees are participating</li> </ul>

Summary of pension schemes - Figure 12 (continued)

NORTH AMERICA	<p style="text-align: center;"><b>USA</b></p> <ul style="list-style-type: none"> <li>▪ There is no liability for the company</li> <li>▪ In the USA, the 401(k) plan is fully vested under the Safe Harbor Act</li> <li>▪ Pension Plan and there is no liability for the company</li> <li>▪ The plan matches the first 6% of contributions dollar for dollar</li> <li>▪ The company portion is immediately vested at 100% as soon as the</li> <li>▪ Money leaves the company for each paying period</li> <li>▪ Scheme is voluntary and it is estimated 33% participation (DOF Subsea US) and 28% participation (DOF Subsea S&amp;P US)</li> </ul> <p style="text-align: center;"><b>Canada</b></p> <ul style="list-style-type: none"> <li>▪ There is no liability for the company</li> <li>▪ Canada operates Employer/Employee funded Registered Retirement Savings Plan (RRSP)</li> <li>▪ Maximum employer contribution is 5%, employees have the option to contribute higher percentage</li> <li>▪ Scheme is voluntary and it is estimated 89.5% participation.</li> </ul>
ASIA PACIFIC	<p style="text-align: center;"><b>Australia</b></p> <ul style="list-style-type: none"> <li>▪ There is no liability for the company</li> <li>▪ Australia operates compulsory superannuation schemes based on employer defined contributions.</li> <li>▪ Employees have the right to choose which superannuation fund (external funds they are a member of).</li> <li>▪ External superannuation funds in Australia are monitored by Australian Securities and Investment Commission as well as other Governmental agencies.</li> <li>▪ 9.5% contribution by employer. Voluntary contributions can be made by the employee but limits are imposed</li> </ul> <p style="text-align: center;"><b>Singapore</b></p> <ul style="list-style-type: none"> <li>▪ There is no liability for the company</li> <li>▪ In Singapore the company is required to pay monthly contributions to the Central Provident Fund with variable rates depending on the employees' age</li> </ul>

## Results (continued)

Employment statistics as of 31.12.2018

Employment type - Figure 13



	TOTAL	MEN	WOMEN	ATLANTIC	ASIA PACIFIC	NORTH AMERICA	SOUTH AMERICA
Permanent Contract (Full-time)	2 805	2 448	357	948	364	195	1 298
Temporary Contract (Full-time)	81	68	13	57	16	0	8
Permanent Contract (Part-time)	45	15	30	23	10	0	12
Temporary Contract (Part-time)	129	119	10	6	123	0	0
Self-employed workers	518	506	12	453	6	55	4
Total	3 578	3 156	422	1 487	519	250	1 322

Demographics - Figure 14



Overview of performance reviews by gender and employee category - Figure 15

BY GENDER	PERFORMANCE REVIEWS	TOTAL HEADCOUNT	% OF EMPLOYEES RECEIVED REVIEWS
Female	193	424	45.52 %
Male	1 465	2 877	50.92 %
Total	1 658	3 301	50.23 %
BY EMPLOYEE CATEGORY	PERFORMANCE REVIEWS	TOTAL HEADCOUNT	% OF EMPLOYEES RECEIVED REVIEWS
Senior managers	72	330	21.82 %
Managers	142	302	47.02 %
Staff	1 444	2 669	54.10 %
Total	1 658	3 301	50.23 %







# Excellence



## Overview

Excellence is being resourceful and responsive to the customer's needs and innovative in the solution applied to everyday problems.

In addition to being one of DOF core values, excellence is not just a quality focused concept, it also needs to be viewed as a commitment, a way of thinking, pride in what DOF does, and a discipline to ensure that the work being done is of the highest standard possible for the stakeholders and will deliver and secure sustainability and future success.

Excellence helps to safeguard the individuality and the qualities that set DOF apart from our competitors and protects the reputation and the professional trust that has been developed with DOF's employees, clients and other stakeholders. Ultimately, DOF does not walk away from its commitments.

In addition to being one of DOF core values, excellence is not just a quality focused concept, it also needs to be viewed as a commitment, a way of thinking, pride in what DOF do, and a discipline to ensure that the work being done is of the highest standard possible for the stakeholders and will deliver and secure sustainability and future success.

### **Why is EXCELLENCE significant to DOF:**

Excellence in corporate and operational activities across the organization is important to protect long-term sustainability. DOF acknowledges that excellence is an attribute within the industry and is a significant consideration factor when the overall capabilities are being assessed by existing and potential clients.

Coupled with DOF's excellent assets base, professional workforce and improved internal controls, continuous improvement commitment has succeeded in differentiating DOF from its competitors.

### *How DOF defines EXCELLENCE:*

**According to the DOF values: "Excellence in everything we do. We are resourceful and responsive to our customers' needs; innovative in the solutions we apply to everyday problems."**

**"We safeguard our individuality and the qualities that set us apart from our competitors, protecting our reputation and the professional trust we have built, we do not walk away from our commitments."**

### **What are we doing about EXCELLENCE:**

DOF is committed to continuously improve the organisational performance in all aspects of its operations. This includes management of processes, knowledge, resources, and changes. These areas collectively, will result in DOF progressively becoming more effective and efficient within the corporate and operational disciplines and process, which will be reflected in the ability to meet market and client expectation in a more cost-effective and productive manner.

#### *Continuous Improvement*

DOF is conscious of changes in disciplines and skills within core functions. By continuously monitoring and comparing what we are currently doing with how others are performing similar activities, areas for immediate or future improvement programs can be identified to provide our employees with the best possible tools and services perform their roles.

Alliances and partnerships are an alternative option that can provide DOF and its clients with specialised services or products currently unavailable. This

strategic approach, aligning with others as opposed to in-house development of specialised skills, can be a quicker and more economical way to obtain the required level of excellence necessary to address strategic opportunities and achieve competitive advantage.



## Highlights

### Vessel Uptime

Available operative time for vessel

**98.9%**  
in 2018

### ROV Uptime

Available operative time for ROV

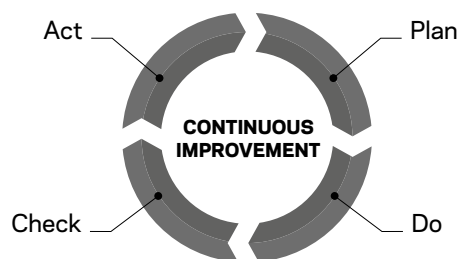
**99.2%**  
in 2018

### Customer Feedback

Over the past years, there has been significant improvement in the customer feedback scores, both within Subsea and Marine.

### Continuous Improvement

DOF's has built its management systems on the Plan-Do-Check-Act principle.



### "Maintenance the RITE way"

The program aims to build a world-class maintenance culture in the DOF Group.

### *DOF 2020 EXCELLENCE goals:*

Delivered an improved Business Management System avoiding unnecessary bureaucracy – measured by survey;

Global structure of qualified quality controllers available for DOF. Partly built up within organisational structure; as well by a set of subcontractors;

Extra emphasis on monitoring our customers' feedback and cover all phases of our operations.

Controllers available for the Group. Partly built up within organisational structure; as well by a set of subcontractors.

## Overview (continued)

### Product reliability

For DOF, product reliability is providing the best service to our customers with no delays. DOF is committed to delivering quality products and services by working with our customers to understand the needs of their business and consistently meet their requirements.

Product reliability is achieved through the Integrated Management System (IMS) and Business Management System (BMS), embodying a system of identifying customer needs, meeting stipulated requirements, providing a high-quality product, then measuring and monitoring performance. DOF is now entering into larger and more complex projects and contracts, as well as investing in newer and more advanced vessels.

### Customer satisfaction

Excellence is satisfying the expectations and requirements of our customers and other stakeholders. This is best demonstrated and achieved by delivering services of the best quality, at minimal cost, at the right time and to the required location. By continuously satisfying and exceeding clients' expectations we will be considered a reliable and professionally managed organisation, with the high level of knowledge and skills necessary for our clients to engage in longer term arrangements or partnerships.

### Maintenance Management System

The Maintenance Management System is implemented on all DOF Group vessels and for subsea assets, as well as third party vessels on long term charter.

### What are future goals with EXCELLENCE:

DOF will work towards delivering ever-improving value to its customers, and other stakeholders involved in contributing to our overall organisational sustainability. The continuous improvement

to the overall organisational effectiveness and capabilities will position DOF as a partner of choice to both regional clients and major international clients.

DOF will continue to evaluate and engage with strategic partners to strengthen existing capabilities and to develop new capabilities that will allow DOF to expand its range of services and align with the needs of international clients in the pursuit of establishing long-term mutually beneficial relationships.

The DOF has a zero mind-set towards customer complaints and downtime of our operations. Operating in a challenging market with pressure to deliver the same services for less money and to work smarter, DOF appreciates the importance of maintaining the quality of services. In a complex and demanding world, excellence is not simply having the best product or service. Excellence implies that every aspect of the business excels.

Processes have also been initiated to establish client account managers on executive level, covering all major clients globally. In addition, DOF's product lines will be refined to be able to optimise our service delivery.

### Maintenance Management

A new program was launched in 2018, based on best practices from Safe the RITE way. The overall objective is to improve the maintenance and housekeeping culture throughout the entire organisation. This program will be continuously developed during the coming years.

The governing documents within maintenance will undergo a full review to form the basis for developing a plan of activities necessary to achieve maintenance goals and overall objectives.

DOF 1 - Operational uptime - Figure 16

QUALITY INPUT/OUTPUTS	GLOBAL TARGETS 2018 METRICS	2018	2017	2016
Available operative time for VESSEL – Time in % when vessels are in an operating mode and under contract with a client = < 2 % Down time for client due to vessel availability.	> 98 %	98.9 %	97.8 %	98.8 %
Available operative time for ROV – Time in % when ROV are in an operating mode and under contract with a client = < 2 % Down time for client due to ROV availability.	> 98 %	99.2 %	99.3 %	99.5 %

With regards to TMv2, the list below indicates some specific activities to be performed during 2019:

- Standardise and simplify maintenance system. Target to reduce number of maintenance jobs and strengthen focus and quality of the most critical jobs
- Onboard maintenance review & training sessions
- Implement use of docking module
- System Utilisation
  - » Increase the awareness and motivate personnel to take ownership
  - » Monitoring performance and provide feedback

#### FACT BOX

##### Maintenance Management System (MMS)

DOF are using TM Master v2 as its maintenance management system. The system is used to facilitate a systematic and comprehensive approach to maintenance, covering areas such as:

- Maintenance control (corrective, preventive)
- Overdue, critical overdue
- Lessons learned – maintenance tasks based on experience
- Logistics and stock control
- Procurement and category management
- Equipment failure
- Docking projects

TMv2 is integrated with several other management tools such as ERP system and business intelligence analytics.

#### ROV Operations

The below list indicates some of the areas that will be focused on during 2019:

- More focus on technical audits of subsea equipment
- Updates to the governing documents within ROV
- Modernise the operational reporting system (wwDPR)
- Establish framework for management of critical spares; plan for storage and handling
- Monitor implementation of global standardisation of operations;
- Active phaseout or upgrade of old ROV systems;

#### Vessel Operations

The below list indicates some of the areas that will be focused on during 2019

- Continue developing performance monitoring by utilising individual dashboards and Business Intelligence analysis systems;
- Global Technical Improvement Project – with main focus on improving experience transfer process;
- Strengthen follow-up of SEEMP (Ship Energy Efficiency Management Plan);
- Development of long-term maintenance plans for vessels to ensure optimised use of maintenance days;
- Evaluate systems together with manufacturers for condition monitoring;
- Expand use of “digital machinery survey” – replacing need for onsite surveys by utilising output from maintenance system.

#### Our focus for 2019

New improvement programs will be initiated during 2019 with aim to satisfy our global clients and fulfilling our vision to be a world class integrated offshore company. Strengthening of our corporate organisation with hands-on our operational capabilities,

as well as the close dialogue with our partners globally to be able to deliver and satisfy market needs, is a key focus for 2019.

A global mandate has been issued to increase our survey capabilities by utilising new technology. The project “Survey in the Cloud” will allow utilisation of our global capabilities and human capital and reduce processing time of data survey. The result will be faster service and quality of our survey reports.

A project will be initiated to evaluate the feasibility of a Global Operation Centre. The Global Operation Centre project will evaluate possibilities and limitations related to areas such as:

- Utilise the existing toolbox in a better way to support operations, for example by real time monitoring of performance
- Better utilisation of human capital
- Increase quality of DOF’s deliveries
- Review vessel IT standard platforms in light of the business requirements and long-term total cost perspective

The implementation of new IT tools will bring new opportunities for efficient and secure sharing of information with our clients.

The “Maintenance the RITE way” program will continue to be developed. It will be a focus area in 2019 to ensure that all employees complete the Maintenance Management e-learning. Other tasks within the program involves simplifying and improving systems and documentation. 🌟

# Excellence

## Results

Both the Subsea and Marine organisation appointed new Chief Operating Officers (COOs) in 2018. They will have operational responsibilities for DOF Subsea and DOF Marine on a strategic level and be responsible for the companies' day to day operating activities. In addition, they will have key relationships with DOF's internal and external stakeholders globally.

DOF Management and Norskan was reorganised as one organisation, DOF Marine. The global organisation will manage all marine operations of DOF and is supported by a new executive management team led by the new COO.

DOF is continuously reviewing its key business systems and processes to be in alignment with current best practice models. DOF's commitment to excellence also extends to the building of custom designed award winning, state-of-the-art assets.

The ultimate proof of excellence is in our reliability figures. The vessel uptime figure for 2018 was 98.9%. The equivalent figure for ROV uptime was 99.2%.

Another proof of excellence is our customer satisfaction results. DOF Subsea's results are stable and the feedback is overall very satisfactory. DOF Management's scores have seen great improvement over the last years.

In 2018, project was initiated to improve docking related activities, with the aim to increase quality outcome of docking, cost efficiency and energy efficiency such as hull and propeller cleaning. A complete set of governing documentation built upon a new docking manual was developed and released in early 2019. The processes have been built into a new docking module in TMv2.

During the year changes have been performed

with regards to the organisational setup supporting docking activities, resulting in changes to the responsibility and accountability for the quality and cost efficiency of docking activities. This was a part of the overall reorganisation of DOF Marine.

Throughout the year, DOF has continued the use of "fly squads" consisting of two maintenance teams focusing on preventive maintenance. These teams travel around the global fleet, assisting the vessel crew with performing periodical maintenance on-board instead of taking the vessel to shore. This leads to more availability for our clients.

Work has continued to develop an improved method for condition assessment of vessels, going from annual inspection visits to continuous monitoring of the vessel condition. This has resulted in improved communication and a better understanding of vessel condition, to enable better decision-making in efforts to improve reliability.

### *Maintenance Management System*

The below list indicates some specific activities performed during 2018:

- Started implementation and use of docking module in TMv2
- Continued development data warehouse for advanced analysis of maintenance data
- Integration between TMv2 and ERP systems (DOF internal and Joint Venture partner system)
- Continuous improvement and standardisation of maintenance tasks and structure
- Implementation of equipment failure case handling

### *Product reliability results,*

#### *Subsea ROV Operations 2018*

The main objective for the year has been to continue the efforts to maintain the

high operational uptime for Subsea ROV operations. The items below show some highlights within the area in 2018:

- Global standardization of operations
- Strengthened guidelines for storage and reinstatement of stored equipment
- Continued to build online library of ROV technical manuals
- Global audit of ROV organisation in all regions

### *Product reliability results,*

#### *Vessel Operations 2018*

The main objective for the year has been to continue the efforts to improve operational uptime for Vessel operations. The items below show some of the achievements within the area in 2018:

- Continued program with implementing condition-based maintenance on thrusters on selected vessels
  - » Reduced cost Increased flexibility for performing maintenance
- Improvement of condition monitoring program
- Continuous development of fleet performance monitoring
  - » Developed data warehouse for analysis of data from multiple sources
  - » Feedback to fleets based on performance
  - » Identifying focus areas for global gatherings / experience transfer
  - » New vessel reporting system (Unisea) implemented on all vessels
- Established core group for experience transfer
- Continued program together with supplier to increase reliability of box coolers across the fleet
- Online monitoring of engine performance on certain vessels
- Focus on energy management to reduce engine running hours

### *Operational uptime DOF1*

See Figure 16, page 60.

### Customer satisfaction DOF 2

DOF is using different means to monitor our customers' perception to which their needs and expectation have been fulfilled. Systems are in place for obtaining, monitoring and reviewing this information.

The results of the analyses are used as basis for our yearly improvements plans to create an environment of continuously improvement. Our commitment is to deliver quality products and services, safely. DOF works with its customers to understand their needs and meet their requirements, time after time.

DOF's customer satisfaction forms are the main source for monitoring our customers' feedback and cover all phases of our operations.

There were no customer complaints registered during 2018.

Within both the subsea and the marine part there has been a positive development over the past years. DOF Subsea is now stable at consistently high scores. DOF Management has seen great improvements over the past years. The below tables show

average scores for customer feedbacks received during 2018, compared to 2017. 5 is the highest score possible. ⚙

DOF 2 - Customer Satisfaction - Figure 17

Average ratings DOF Subsea customer feedback (received during 2018)

	#1 - Mobilisation	#2 - Engineering (Project & Design)	#3 - Client's Objectives (Understood & Achieved)	#4 - Client Relationship	#5 - Schedule Management	#6 - HSE Management	#7 - Site Operations	#8 - Overall Project Management (including communications)	#9 - Overall Performance	#10 - De-Mobilisation	Overall Survey Rating
2018	4.5 ↑	4.3 →	4.5 →	4.7 ↑	4.3 →	4.4 →	4.4 ↓	4.5 →	4.5 →	4.4 ↑	4.4 →
2017	4.1	4.3	4.5	4.6	4.3	4.4	4.5	4.5	4.5	4.3	4.4

Average ratings DOF Management customer feedback (for 2018)

	HSE Management	Co-operation	Flexibility	Dialogue	Delivery of service	Cost	Results	Added value	Overall Survey Rating
2018	4.2 ↑	4.4 ↑	4.4 ↑	3.9 ↑	4.3 ↑	3.6 ↑	4.2 ↑	4.1 ↑	4.2 ↑
2017	3.9	4.3	4.2	3.8	3.9	3.5	3.9	4	4



# Appendix

## Appendix i - GRI Content Index for 'In Accordance'

GENERAL STANDARD DISCLOSURES	PAGE	EXTERNAL ASSURANCE
<b>STRATEGY AND ANALYSIS</b>		
102-14 CEO's Statement	8	
<b>ORGANISATIONAL PROFILE</b>		
102-1 Name of the organisation	6	
102-2 Primary brands, products, and services	6	
102-3 Location of the organisation's headquarters	DOF ASA Annual Report 2018	
102-4 Geographical coverage	DOF ASA Annual Report 2018	
102-5 Legal nature	DOF ASA Annual Report 2018	
102-6 Markets served	DOF ASA Annual Report 2018	
102-7 Size of the organisation	6	
102-8 Total number of employees by contract and gender	56	
102-41 Total number of employees covered by collective bargaining agreements	52	
102-9 Supply Chain	38-39	
102-10 Significant changes in organisational structure	No changes	
102-11 Precautionary principle	28	
102-12 Commitments to External Initiatives	44	
102-13 Membership of associations	45	
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>		
102-45 Entities included in the organisation's consolidated financial statements	DOF ASA Annual Report 2018	
102-46 Content and Boundaries of the Report	10-11	
102-47 Material Aspects	10-11	
103-1 Material Aspect Boundaries within the organisation	12-13	
103-2 Material Aspect Boundaries outside the organisation	12-13	
102-48 Major restatements of information	None	
102-49 Significant changes in Scope and Material Aspect Boundaries	No significant changes	
102-40 Stakeholder groups	10-11	
102-42 Basis for identification and selection of stakeholders	10-11	
102-43 Approach to stakeholder engagement	10	
102-44 Key topics and concerns raised and the organisation's approach	12-13	
<b>REPORT PROFILE</b>		
102-50 Reporting period	01-Jan - 31 Dec. 2018	
102-51 Date of most recent previous report	Issued April 2018	
102-52 Reporting cycle	Annual	
102-53 Contact	Stig Clementsen, CSO	
102-54 The "in accordance" option chosen by the organisation	Core	
102-56 Assurance	68	
<b>GOVERNANCE</b>		
102-18 Governance structure of the organisation	DOF ASA Annual Report 2018	
<b>ETHICS AND INTEGRITY</b>		
102-16 Organisation's values	12-13	

## Appendix i - GRI Content Index for 'In Accordance' (continued)

DISCLOSURE NUMBER	DISCLOSURE DESCRIPTION	PAGE REFERENCE	OMISSION	REASON FOR OMISSION	EXPLANATION FOR OMISSION	VERIFICATION
<b>DOF MATERIAL TOPIC: HEALTH, SAFETY AND EMERGENCY MANAGEMENT</b>						
GRI Management approach						
103-1	Explanation of the material topic and its Boundary	20-23	No			Yes
103-2	The management approach and its components	20-23	No			Yes
103-3	Evaluation of the management approach	20-23	No			Yes
GRI 403- Occupational health and safety						
403-1	Occupational health and safety management system	20	No			Yes
403-2	Hazard identification, risk assessment, and incident investigation	20-22	No			Yes
403-3	Occupational health services	22	No			Yes
403-4	Worker participation, consultation, and communication on occupational health and safety	22	No			Yes
403-5	Worker training on occupational health and safety	22	No			Yes
403-6	Promotion of worker health	22	No			Yes
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	22	No			Yes
403-8	Workers covered by an occupational health and safety management system	22	No			Yes
403-9	Work-related injuries	24-26	Man-hours are not available separately for employees and other workers.	Information unavailable.	System to differentiate man hours DOF / non-DOF was not operational on all vessels during whole of 2018. Expected to be available for 2019 reporting.	Yes
<b>DOF MATERIAL TOPIC: ENERGY EFFICIENCY AND CLIMATE IMPACT</b>						
GRI Management approach						
103-1	Explanation of the material topic and its Boundary	28-31	No			Yes
103-2	The management approach and its components	28-31	No			Yes
103-3	Evaluation of the management approach	28-31	No			Yes
GRI 302- Energy						
302-1	Energy consumption within the organisation	34	No			Yes*
GRI 305- Emissions						
305-1	Scope 1 emissions	35	No			Yes*
305-2	Scope 2 emissions	35	Scope 2 is location based only and not market based.	Information unavailable.	A climate change workshop will be held in 2019 and include evaluation of reporting on market based emissions.	Yes*
* Note: External assurance regarding emissions is provided by Cemasy						
GRI 307- Environmental compliance						
307-1	Non-compliance with environmental laws	33	No			Yes
<b>DOF MATERIAL TOPIC: SPILL AVOIDANCE</b>						
GRI Management approach						
103-1	Explanation of the material topic and its Boundary	28-31	No			Yes
103-2	The management approach and its components	28-31	No			Yes
103-3	Evaluation of the management approach	28-31	No			Yes
GRI 306- Effluents and waste						
306-3	Significant spills	32	No			Yes

## Appendix i - GRI Content Index for 'In Accordance' (continued)

DISCLOSURE NUMBER	DISCLOSURE DESCRIPTION	PAGE REFERENCE	OMISSION	REASON FOR OMISSION	EXPLANATION FOR OMISSION	VERIFICATION
<b>DOF MATERIAL TOPIC: BUSINESS INTEGRITY, ETHICS AND PAYMENT TRANSPARENCY</b>						
GRI Management approach						
103-1	Explanation of the material topic and its Boundary	36-40	No			Yes
103-2	The management approach and its components	36-40	No			Yes
103-3	Evaluation of the management approach	36-40	No			Yes
GRI 201- Economic performance						
201-4	Financial assistance received from government	44	No			Yes
GRI 205- anti-corruption						
205-1	Operations assessed for risks related to corruption	42-43	Yes			
205-2	Communications and training on anti-corruption	43-44	Total number and percentage of governance body members, employees or business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by region, employee category or type of business partner.  Total number and percentage of governance body members, or employees, that have received training on anti-corruption, broken down by region and employee category.		Information unavailable  DOF will evaluate how to record necessary data to fully report on the disclosure.	Yes
205-3	Confirmed incidents of corruption and actions taken	42	No			Yes
206-1	Legal actions for anti- competitive behaviour, anti-trust, and monopoly practices	42	No			Yes
GRI 308- Supplier environmental assessment						
308-1	Supplier environmental screening	45	No			Yes
GRI 414- Supplier social assessment						
414-1	Supplier social screening	45	No			Yes
GRI 419- Socioeconomic compliance						
419-1	Non-compliance with socioeconomic laws	45	No			Yes

## Appendix i - GRI Content Index for 'In Accordance' (continued)

DISCLOSURE NUMBER	DISCLOSURE DESCRIPTION	PAGE REFERENCE	OMISSION	REASON FOR OMISSION	EXPLANATION FOR OMISSION	VERIFICATION
<b>DOF MATERIAL TOPIC: LABOUR RIGHTS AND EMPLOYEE SATISFACTION</b>						
GRI Management approach						
103-1	Explanation of the material topic and its Boundary	48-50	No			Yes
103-2	The management approach and its components	48-50	No			Yes
103-3	Evaluation of the management approach	48-50	No			Yes
GRI 201- Economic Performance						
201-3	Defined benefit plan obligations and other retirement plans	52	No			Yes*
* Note: EY does not verify financial information.						
GRI 401- Employment						
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	53	No			Yes
GRI 402- Labour/Management Relations						
402-1	Minimum notice periods regarding operational changes	53	No			Yes
GRI 404- Training and education						
404-3	Career and performance reviews	53, 56	No			Yes
GRI 406- Non-discrimination						
406-1	Incidents of discrimination and corrective actions taken	53	Yes			
<b>DOF MATERIAL TOPIC: PRODUCT RELIABILITY AND CUSTOMER SERVICE</b>						
GRI Management approach						
103-1	Explanation of the material topic and its Boundary	58-61	No			Yes
103-2	The management approach and its components	58-61	No			Yes
103-3	Evaluation of the management approach	58-61	No			Yes
DOF own disclosure						
DOF 1	Operational uptime	60	No			Yes
DOF 2	Results of surveys measuring customer satisfaction	63	No			Yes
<b>DOF MATERIAL TOPIC: RISK BALANCING</b>						
GRI Management approach						
103-1	Explanation of the material topic and its Boundary	36-40	No			Yes
103-2	The management approach and its components	36-40	No			Yes
103-3	Evaluation of the management approach	36-40	No			Yes
DOF own disclosure						
DOF 3	Revenue per segment	46	No			Yes
GRI Management approach						
103-1	Explanation of the material topic and its Boundary	28-31	No			Yes
103-2	The management approach and its components	28-31	No			Yes
103-3	Evaluation of the management approach	28-31	No			Yes
GRI 201- Economic performance						
201-2	Financial implications of climate change	33	Description of the risk or opportunity and its classification; description of the impact associated with the risk or opportunity; financial implications of the risk or opportunity before action is taken; the methods used to manage the risk or opportunity; the costs of actions taken to manage the risk or opportunity.	Information unavailable.	DOF plans to perform a TCFD-based workshop in 2019 to perform thorough assessments.	Yes

## Appendix ii - Benefits provided to full-time employees that are not provided to temporary or part-time employees

BRAZIL	<ul style="list-style-type: none"> <li>▪ Life insurance (employee and spouse/husband)</li> <li>▪ Funeral Insurance (employee and spouse/husband)</li> <li>▪ Health and Dental Insurance (employee and direct dependents – spouse/wife and children)</li> <li>▪ Pension Plan (employee) company do a deposit of the same amount than employee</li> <li>▪ Supermarket Coupon (monthly basis)</li> <li>▪ Restaurant Coupon (monthly basis only for on shore employee)</li> </ul>
AUSTRALIA	<p>All employees, whether full-time or part-time / fixed term have the same benefits, though if part-time some benefits are pro-rated e.g. leave accruals. With the exception of 9 Day Fortnight (flexibility) Scheme for permanent onshore full-time employees only (or maximum duration &gt;12 months)</p> <p>Norway:</p> <p>Temporary employees (less than 12-month contract) are entitled to most of the benefits except:</p> <ul style="list-style-type: none"> <li>▪ Life insurance</li> <li>▪ Pension</li> <li>▪ Disability and invalidity coverage</li> <li>▪ Paid parental leave</li> </ul>
SINGAPORE	<p>All employees, whether full-time or part-time have the same benefits. If temporary (e.g. fixed term or casual, then benefits are reduced). Different benefits may be offered to employees based on their Singapore residency status (e.g. health insurance, flights) or a car park bay based on their role seniority. Currently there are nil part time employees in Singapore.</p>
PHILIPPINES	<p>All employees, whether full-time or part-time /fixed term, have the same benefits with the exception of: Service Incentive Leave entitlement after one year of service, an employee becomes entitled to a yearly service is provided with incentive leave of 5 days with pay (there are preclusions so must check always as to who this applies to, for example does not apply to Managers or those employed in establishments regularly employing less than 10 employees). Leave can be used in ill health or for general holidays and the balance must be paid out at the end of the year.</p> <p>TOWP (Time Off With Pay) sick - days not used at the end of each calendar year will be converted into money equivalent and paid to the employee. Not available to casual employees.</p>



Appendix ii - Benefits provided to full-time employees that are not provided to temporary or part-time employees (continued)

UK	Benefits provided to full-time employees that are not provided to temporary or part-time employees: Life Assurance, Group Personal Pension, Sick pay, Parental Leave (unpaid), Private Health Care (BUPA)
US	Benefits provided to full-time employees that are not provided to temporary or part-time employees: <ul style="list-style-type: none"> <li>▪ Health</li> <li>▪ Dental</li> <li>▪ Vision</li> <li>▪ Basic Life and Accidental Death and Dismemberment Insurance</li> <li>▪ Short Term and Long Term Disability Coverage</li> <li>▪ 401(k) Program with 6% Employer Match</li> <li>▪ Employee Assistance Program</li> <li>▪ Sick Time</li> <li>▪ Vacation</li> </ul>
CANADA	<p>The benefits below are provided to full-time employees and not provided to temporary / casual employees. Part-time employees may have some or all of the benefits based on hours worked.</p> <p>Health and Dental Programs, Life Insurance, Critical Illness, Short term and Long term disability, Employee and Family Assistance Program (EAFP), Vacation, Statutory Holidays, Registered Retirement Savings Program, Pregnancy Leave, Family Violence Leave, Personal Leave, Parental Leave, Adoptive Leave, Bereavement Leave, Compassionate Leave, Reserve Leave, Sick Leave, Time off to Vote, Jury/Witness Leave Duty.</p>

## Appendix iii - Independent Assurance Report - EY



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To the Board of Directors of DOF ASA

### Independent assurance report – Sustainability Reporting for 2018

We have performed an independent verification of DOF ASA's reporting on Sustainability for 2018 (Sustainability Report), which involves an assessment of whether the information presented in the Sustainability Report is based on relevant criteria from the guidelines for sustainability reporting from the Global Reporting Initiative Standards option "core" (GRI Standards). Externally assured information is indicated in the GRI index in the Sustainability Report for the financial year 2018.

#### *Management's responsibility*

DOF ASA's management is responsible for the selection of the information and collection of the data for presentation and for the preparation of the Sustainability Report in accordance with the GRI Standards criteria.

#### *Our Independence and Quality Control*

We have complied with the independence requirements of the Norwegian Law on Auditors and Auditing and other ethical requirements from the Code of Ethics of the Norwegian Institute of Public Accountants which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We apply International Standard on Quality Control (ISQC1) "Quality control for firms that perform audits and reviews of financial statements, and other assurance and related services engagements" and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### *Auditor's tasks and duties*

Our task is to issue an independent report to the Board of Directors on the Sustainability Report based on our work. Our work is conducted in accordance with ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". The standard requires that we plan and perform procedures to obtain limited assurance that the information in the Sustainability Report is prepared and presented in accordance with relevant criteria for sustainability reporting in accordance with GRI Standards and does not contain material errors.

Our work has consisted of the following procedures:

- ▶ Review of DOF ASA's process for the preparation and presentation of the Sustainability Report to provide us with an understanding of how Sustainability is ensured in practice within the business
- ▶ Interviewed those in charge of Sustainability reporting to develop an understanding of the process for the preparation of the Sustainability Report
- ▶ Verified on a sample basis the information in the Sustainability Report against source data and other information prepared by DOF ASA
- ▶ Assessed the overall presentation of the Sustainability Report against the criteria in GRI Standards including a review of the consistency of information

In our opinion the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

#### *Conclusion*

Based on our work, nothing has come to our attention that causes us to believe that the Sustainability Report, in all material respects, is not prepared and presented in accordance with the GRI Standards criteria, or that the information in the Sustainability Report contains material misstatements. Indicators covered by our assurance report are listed in the GRI index.

Bergen, 15 Mars 2019  
Ernst & Young AS

Eirik Moe  
State Authorised Public Accountant

## Appendix iv - Independent Assurance Report - CEMAsys GHG Verification Statement

CEMA<sub>sys</sub>.com AS

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## GHG VERIFICATION STATEMENT DOF ASA

To the readers of DOF ASA's greenhouse gas (GHG) assertions in the CDP investor report 2019. The GHG assertion is based on historical data from 2018 (01.01-31.12) and comprises DOF ASA and its subsidiaries.

### Introduction

We have been engaged by DOF's management to review the GHG assertions reported to the CDP report 2018. The Board of Directors is responsible for ongoing activities related to environmental and climate management. Our responsibility is to express a conclusion on the above-mentioned GHG assertions.

### Scope of review

We have performed our review in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. The Greenhouse Gas assertion is based on historical data from 2018. The criterion on which our review is based is the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, revised edition, published by World Resources Institute and World Business Council for Sustainable Development. Operational control is used as a boundary for evaluating Scope 1, 2 and 3 in the greenhouse gas inventory. The reported gross global emissions for 2018 are, for scope 1: **504 471** metric tonnes CO<sub>2</sub>e, for scope 2: **1 008** metric tonnes CO<sub>2</sub>e and for scope 3: **153 319** metric tonnes CO<sub>2</sub>e. The reviewed Scope 2 emission was location-based emission. The market-based emission was not reviewed due to lack of data. The year-to-year emissions for scope 1, 2 and 3 as well as the intensity figures were also verified

The review provides a limited level of assurance. Based on the process and procedures conducted, there is no evidence that the assertion is not materially correct and is not a fair representation of GHG data and information, and has not been prepared in accordance with the related International Standard on GHG quantification, monitoring and reporting, or to relevant national standards and practices.

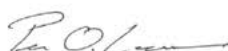
Our review has, based on an assessment of materiality and risk, among other things included the following procedures:

- An update of our knowledge and understanding of DOF's organisation and activities.
- Interviews with responsible management, with the aim of assessing whether the qualitative and quantitative information stated is complete, correct and sufficient.
- An evaluation of method and routines implemented for the collection and reporting of information and data.
- An analytical review of reported information, including sampling with error check and cross checking of data
- An evaluation and a verification of emission factors used to calculate the GHG emissions
- We have gained an overall impression of the GHG assertions published in the CDP report, considering the information's mutual conformity with the applicable criteria.

### Conclusion

Based on our review procedures, nothing has come to our attention that causes us to believe that DOF's GHG assertions in the CDP report 2019 have not, in all material respects, been prepared in accordance with the above stated criteria.

Oslo, 13.03.2019



**Per Otto Larsen**  
 Head of CSR and Environment  
 CEMAsys.com AS



**Izabella Kazimiera Łęgosz**  
 Senior Advisor  
 CEMAsys.com AS

## Appendix v - Document figure overview

NUMBER	DESCRIPTION	PAGE
Figure 1	Global HSE targets	26
Figure 2	Occupational Health and Safety Indicators	26
Figure 3	Energy consumption	34
Figure 4	Electricity consumption per country	34
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Figure 6	CO2 Emissions	35
Figure 7	Intensity reduction targets	35
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Figure 9	DOF 3 - Revenue per segment (DOF Subsea)	46
Figure 10	Distribution of projects per project level (DOF Subsea)	47
Figure 11	Degree of complexity / risk compared to degree of control required	47
Figure 12	Summary of pension schemes	54-55
Figure 13	Employment type	56
Figure 14	Demographics	56
Figure 15	Overview of performance reviews by gender and employee category	56
Figure 16	DOF 1 - Operational uptime	60
Figure 17	DOF 2 - Customer Satisfaction	63

## Appendix vi - Overview of Sustainable Development Goals

The UNs 17 Sustainable Development Goals (SDGs), pictured below, address global social, economic and environmental challenges and are based on the simple principle of “no one left behind”.

The SDGs are comprehensive in the issues they address, each goal has specific actions and targets. As an organisation working principally with subsea engineering and offshore vessels, the Group assessed the specific SDGs where we have the greatest impact and can make a significant contribution as part of our operations.

We aligned these SDGs with corresponding material aspects. You can see how they fit together on page. Read more about UN SDGs: <https://sustainabledevelopment.un.org/>





# Glossary

AUV:	Autonomous Underwater Vehicle
CAGR:	Compound Annual Growth Rate
CAPEX:	Capital Expenditure
CSV/Subsea	Construction Support Vessels and Subsea vessels
DNV-GL:	Det Norske Veritas. Classification company. Controlling and approving the vessels technical condition, security and quality according to the company's own rules and the national laws
DP:	Dynamic Positioning
EBIT:	Operating Profit
EBITDA:	Operating Profit before Depreciation
E&P:	Exploration & Production
EPIC:	Engineering, Procurement, Installation & Commissioning
FPSO:	Floating Production Storage and Offloading
GOM:	Gulf of Mexico
GRI:	Global Reporting Initiative
HR:	Human Resources
HSEQ:	Health, Safety, Environment and Quality
IFRS:	International Financial Reporting Standards
IMCA:	International Marine Contractors Association
IMR:	Inspection, Maintenance and Repair
IOC:	International Offshore Company
ISM:	International Safety Management Code
ISO:	International Standards Organisation
ISPS:	International Ship and Port Facility Security Code. International framework to detect/ assess security threats and take preventive measures against security incidents affecting ships or port facilities used in international trade
LNG:	Liquefied Natural Gas
MLC:	Maritime Labour Convention
NIBOR:	Norwegian Interbank Offered Rate
NIS:	Norwegian International Ship Register
NOR:	Norwegian Ordinary Ship Register
OHSAS:	Occupational Health & Safety Advisory Services
OSCV:	Offshore Subsea Construction Vessel
PLSV:	Pipelaying Support Vessel
ROV:	Remote Operated Vehicle
SEMS:	Safety and Environmental Management Systems
STCW:	Standards of Training, Certification and Watch keeping
SURF:	Subsea, Umbilicals, Risers & Flowlines
T&I:	Transportation & Installation
Time Charter Party (TC):	Contract for Chartering a Vessel
UDW:	Ultra Deep Water
VAE:	Value Adjusted Equity

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*A dedication & thank you:*

**Thank you to all of our hard working  
and dedicated colleagues - it is you  
that make DOF the preferred OSV  
manager and subsea services partner.**

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