

SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR SUBSEA 7 FOR THE YEAR ENDED 31 DECEMBER 2016

Subsea 7's Slavery and Human Trafficking Statement sets out the steps Subsea 7 has taken to address the risk of slavery and human trafficking taking place within its own operations and supply chains.

A. RELEVANT INFORMATION ABOUT OUR ORGANISATION

Our business and sector

Subsea 7 is a seabed-to-surface engineering, construction and services contractor to the offshore energy industry. We operate across three major offshore segments: Surf and Conventional; i-Tech Services; and Renewables & Heavy Lifting.

More details about our business can be found at: <http://www.subsea7.com/en/what-we-do/what-we-do.html>

Geographies

Subsea 7 performs services all over the world and has offices in 17 countries and yards or other operational facilities in 9 countries. More details can be found at: <http://www.subsea7.com/en/about-us/where-we-operate.html>

Employees and Other Staff

During the year ended 31 December 2016, the average number of staff working for Subsea 7 was approximately:

Headcount	Onshore	Offshore	Grand Total
Direct Employee	3,330	2,500	5,800
Contractor/Third Party	400	2,300	2,700
Grand Total	3,700	4,800	8,500

Supply Chain

Subsea 7 has a very large and complex supply chain, comprising nearly 4,500 direct suppliers based in over 60 countries, and many sub-suppliers. These suppliers provide a broad range of materials and services, ranging from non-operational, office- and site-based services such as cleaning and security, through the provision of agency staff for offshore work, to pipeline and fabrication, vessel fabrication, logistics, and a whole range of construction and fabrication services and material supplies.

B. EXISTING POLICIES AND PROCEDURES IN RELATION TO MODERN SLAVERY

Ethics Policy Statement

Our Ethics Policy Statement includes commitments to respect human rights, as well as to:

- Act fairly, honestly and with integrity at all times and in everything that we do, and to comply with all applicable laws
- Treat our employees, clients, contractors and suppliers and other stakeholders fairly and with respect
- Create a high-quality, equal opportunity working environment for all our employees, based on merit and free from discrimination, bullying and harassment

Our ethics Policy Statement, and the Code of Conduct and Code of Conduct for Suppliers can be found at:

<http://www.subsea7.com/en/about-us/conduct-and-ethics.html>

Code of Conduct

The Subsea 7 Code of Conduct (the Code) is applicable to all personnel working for and on behalf of Subsea 7 globally, including direct employees and agency and contract staff. The Code states that: "We expect human rights to be respected and we will not tolerate the use of child labour or forced labour in our worldwide operations or by our business partners."

All Subsea 7 direct employees are required to sign up to the Code on joining the business.

Code of Conduct for Suppliers

The Subsea 7 Code of Conduct for Suppliers is incorporated into our standard terms and conditions for suppliers and includes mutual commitments to:

- Ethical business conduct, including with regard to anti-corruption and health and safety
- Fair employment practices across Subsea 7 and throughout our supply chain
- As a minimum, complying with national legal requirements regarding wages and working hours
- Support for the International Labour Organisation's standards regarding child labour and minimum age
- Uphold the same standards when dealing with employees, contract staff and sub-contractors

We have robust pre-qualification procedures for our direct suppliers, and for suppliers from high-risk countries this includes a due diligence questionnaire and screening. They are contractually required to comply with our policies in relation to safety, quality, environmental and anti-corruption; and to require their own suppliers to operate to the same standards.

Subsea 7 staff and suppliers are encouraged to raise concerns about behaviour inconsistent with the above commitments. We have a whistle-blowing policy and an externally managed *Safecall* confidential reporting line, as well as other channels for raising concerns, all of which are widely communicated. We also have procedures for investigating concerns reported via these channels.

If we became aware of slavery or human trafficking concerns within our supply chain, we would seek to work with the relevant suppliers to improve conditions for their workforce. We would

reserve the right to deselect suppliers if they were to fail to make the required improvements within a reasonable timeframe.

To date, Subsea 7 has received no reports of concerns regarding slavery or human trafficking in our operations (including our supply chain). If any such issues were reported to us, we would undertake an urgent thorough investigation into the concerns raised under the supervision of the Executive Ethics Committee. If the investigation confirmed the concerns, we would put in place robust action plans to address the issue and protect the victims.

C. RESPONDING TO THE MODERN SLAVERY ACT

At the direction of the Executive Ethics Committee, Subsea 7 has established a cross-functional working group, under the sponsorship of the Executive Director of Human Resources and the General Counsel, to assess and respond to the requirements of the Modern Slavery Act 2015. The members of that working group include the Subsea 7 group heads of Supply Chain Management, Corporate Human Resources, Offshore Staffing, and Compliance and Ethics.

We have engaged *GoodCorporation* to provide independent, expert advice, and to help us deliver training and design and perform a risk assessment. *GoodCorporation* is a firm that specialises in helping organisations to assess and manage corporate responsibility and business ethics risks, including human rights and corruption risks.

We have:

- Developed a human rights and modern slavery compliance clause for insertion in contracts with suppliers.
- Developed human rights and modern slavery questions for insertion in our supplier due diligence questionnaire.
- Included human rights and adverse media alerts in the tool that we use to screen medium and high-risk suppliers.
- With help from *GoodCorporation* and input from key stakeholders across our business and most of our key geographies, conducted a risk assessment to help us identify categories of staff and supplier that might constitute a higher modern slavery risk. This risk assessment included direct suppliers to Subsea 7, and it also considered where risks might exist further down the supply-chain.
- With *GoodCorporation's* help, delivered a half-day education workshop attended by key managers within Human Resources and Supply Chain Management. Further training will be provided as and when we identify other individuals and roles most likely to be in a position to identify and address potential modern slavery risks.
- Started to develop one, high-level Human Rights policy, which will pull together our existing policies, procedures and commitments into one coherent human rights policy and programme, and ensure that modern slavery and human trafficking risks are more explicitly addressed.

D. ASSESSMENT OF MODERN SLAVERY RISKS IN OUR OWN ORGANISATION AND OUR SUPPLY CHAIN

The results of our risk assessment are still being analysed, and the risk assessment process will continue to evolve. However, the risk assessment has already confirmed that some of our initial assumptions and areas of focus are appropriate, namely:

- The modern slavery risks within our own workforce are generally perceived to be low, but the risks cannot be ignored, and we need to do more work to be sure that we have assessed the risks correctly and have taken the right steps to mitigate or guard against them.
- Despite the above:
 - Staff sourced from external agencies to work in our offshore operations may represent a risk, especially where those agencies are based in, or source people from high-risk countries.
 - Suppliers that manage staff working on Subsea 7 sites to provide certain services, such as catering, security, cleaning etc. may be relatively high risk, even in countries considered low risk.
- Suppliers of certain materials tend to be higher risk than many of our suppliers of services, as they may have long, opaque supply chains, which are much harder to assess and gain assurance about.
- Vessel fabrication services is a category that warrants further careful assessment, as such services can involve tough working conditions, subcontracting of work and a complex supply chain, and they represent a very significant amount of expenditure by Subsea 7.
- Generally, suppliers in countries that are considered high-risk from a human rights and modern slavery perspective should be considered at least medium risk. Two thirds of the 63 countries in which our suppliers are based may be considered high risk.
- The map of countries that are considered medium or high risk from a modern slavery perspective correlates to a significant extent with the Transparency International Corruption Perceptions Index, on the basis of which our supply chain management procedures already categorise suppliers as high- or medium-risk from a corruption risk perspective. This substantial correlation has made it easier for us to integrate slavery and human trafficking risk assessment (including due diligence questionnaires and online screening) and risk mitigation steps into what is a mature suite of supply chain management procedures.
- Although we cannot ignore risks further down our supply chain, it makes sense in the short term to focus on our direct suppliers, and also suppliers and categories of supply that represent significant areas of expenditure.

As our programme develops, we will provide further updates to this statement.



Jean Cahuzac
Chief Executive Officer, Subsea 7
30 June 2017