

SOCIAL AND ENVIRONMENTAL INFORMATION

2017 Registration Document

6. SOCIAL AND ENVIRONMENTAL INFORMATION

This section of the management report sets out the guidelines and action plans addressing corporate social responsibility issues. In 2017, the Group continued to suffer the consequences of the crisis in the oil industry. All of BOURBON's teams concentrated their actions on priorities, focusing on safety, local establishment, fuel consumption, ethics and compliance (detailed in section 5.4 of the management report).

The social and environmental reporting for this year enables an outline of quantitative indicators to be drawn up relative to the Grenelle II law. A cross-reference table at the end of this section (page 92-93) can be used to locate information on the basis of selected criteria.

All social and environmental information is audited annually by an independent third party. The relevant report can be found at the end of this section (pages 101-103).

6.1 SOCIAL INFORMATION

All social indicators presented in Chapters 6.1 and 6.2 are calculated based on the workforce under contract at the end of December 2017, except for the personnel flows, training and absenteeism indicators, which take into account the entire workforce mobilized in 2017.

6.1.1 Employment

6.1.1.1 Composition and distribution of the workforce

BOURBON's workforce has declined as did the onshore and offshore activities.

At December 31, 2017, the service was delivered by around 8,400 ⁽¹⁾ people, of whom 6,922 ⁽²⁾ were under contract, with 1,681 people ashore and 5,241 people at sea. Between 2016 and 2017, the Group's combined contractual workforce shrank by 11%.

► DISTRIBUTION OF WORKFORCE BY GENDER

Women represent 8% of the Group's total workforce and 1% of crews.

Split women/men	Workforce	Women	Men
Management	4	25%	75%
Seagoing personnel	5,241	1%	99%
Onshore – all categories	1,681	31%	69%
Onshore – Managers	350	20%	80%
TOTAL GROUP WORKFORCE	6,922	8%	92%

(1) This total workforce includes personnel under contract at the end of 2017, as well as seagoing personnel hired on a non-contractual basis (working rotating shifts and due back on board).

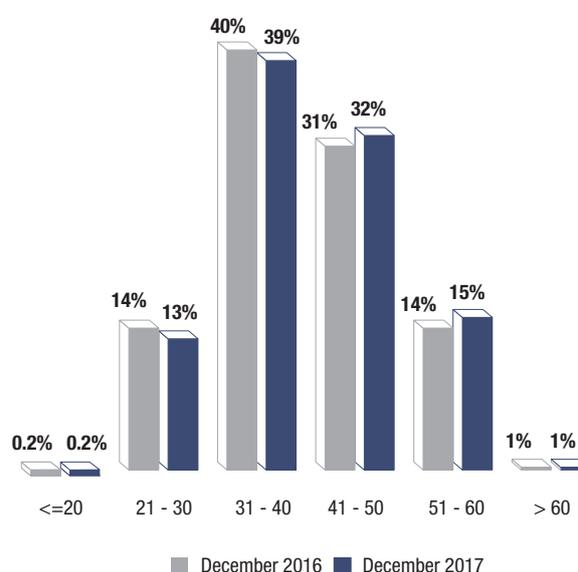
(2) This total workforce includes personnel under contract at the end of 2017 (on a direct contract with a group entity or with a recruitment or placement agency).

(3) People aged 15-75, representing 99.9% of the headcount.

There are three main groups of personnel:

- seagoing personnel (44% officers and 56% ratings);
- specialized categories of onboard personnel (mainly crane operators, engineers and ROV operators) who are involved in hoisting operations, ROVs and managing onboard operations;
- onshore personnel, of whom 21% are managerial staff.

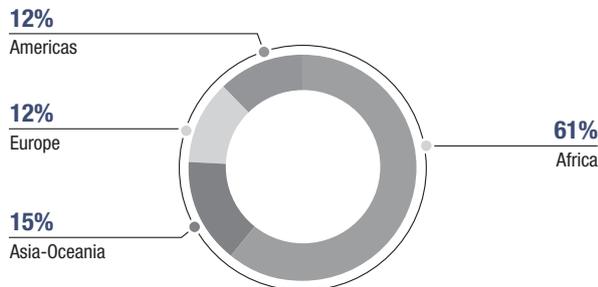
► DISTRIBUTION OF WORKFORCE BY AGE ⁽³⁾



At the end of 2017, the average age of BOURBON personnel was 41 years and 52% of BOURBON employees were aged 40 or under.



► DISTRIBUTION OF WORKFORCE
BY GEOGRAPHICAL ZONE AT 12/31/2017



The share of the BOURBON workforce working in their country of origin has increased, going from 58% to 64%.

6.1.1.2 Equal opportunities and fairness

The monitoring of gender equality introduced in 2015 has revealed that at BOURBON, like the marine sector in general, women are underrepresented in technical, operational and customer-facing roles. These are all careers in which the necessary skills and experience are by and large obtained in seagoing and vessel command roles, an area that still tends to be male-dominated. In this context, BOURBON is concentrating its efforts on the support functions. During 2017, several promotions increased the number of women in managerial positions.

In total, access to training and internal promotion enabled onshore management positions held by women to reach 20% (representing +1% compared to the previous year). Furthermore, surveys and skills assessment methods for onshore personnel help to identify gateways to these operational, technical and customer-facing roles, as well as to managerial positions.

The work performed by BOURBON employees is largely unsuitable for the employment and inclusion of people with disabilities (a fit for duty certificate is required for seagoing personnel, and a significant number of onshore jobs require employees to be able to go onboard the vessels).

6.1.1.3 International recruitment policy

In 2017, BOURBON employed people from 80 different nationalities.

The operational subsidiaries, acting either on their own account or as internal recruitment agencies, managed 73% of the workforce, with 27% of personnel provided by external recruitment and placement agencies.

Outside recruitment and sourcing companies are selected according to criteria of compliance with international standards and BOURBON standards. Internal sourcing and manning agencies meet the same standards. Manning and sourcing agencies are audited in a yearly program, which is defined in BOURBON's quality system. The aim of these audits is to ensure that selection, recruitment, training and management processes meet BOURBON standards and that

these agencies meet international standards, including specific MLC certification.

For onshore personnel, BOURBON is improving its recruitment standards by including a skills assessment process and identifying the training needs of all employees occupying new positions within the Group.

In 2017, the number of internal promotions recorded was 148 for onshore personnel. This figure confirms the internal sourcing policy in force aiming to capitalize on operational skills acquired within the Group in a context of workforce reduction.

6.1.1.4 Hiring and departures

The analysis of changes in the workforce, covering all subsidiaries, shows that the workforce decreased during 2017. The subsidiaries recruited 332 personnel to onshore positions, while 388 personnel from this same category left the Group, including 110 due to dismissal or mutually agreed employment termination, *i.e.* a decrease of 2% for onshore personnel.

These subsidiaries also took on 1,877 seagoing or onboard personnel, while in this category 2,679 people left the Company, 601 as a result of a dismissal or mutually agreed employment termination, resulting in a decrease of 13% for seagoing or onboard personnel.

At December 31, 2017, the Group retention rate for the workforce as a whole, calculated over two years, was 89%, of which:

- 84% for onshore personnel;
- 85% ⁽¹⁾ for seafarer officers.

6.1.1.5 Compensation

Continuing the cost-reduction efforts, the Group directives for 2017 confirmed the policy of a compensation freeze for the Group's onshore personnel.

For seagoing personnel, in accordance with national and international regulations and the applicable company or collective agreements, the subsidiaries continued their efforts to reduce salaries and/or reorganize on-board periods to reduce the cost of crew rotations on board the vessels.

Over the long term, BOURBON will continue its policy of local compensation management, with each subsidiary being responsible for compliance with the regulations, agreements and practices in force in its area of activity.

For seagoing personnel, compensation is established in each organization according to the onboard role and vessel type.

For onshore personnel, 69% of subsidiaries must adhere to the minima imposed by legislation and 51% have their own salary scales in place.

In a context of cost reduction, the short-term bonus plans existing in the subsidiaries were mostly suspended. For the French companies, profit-sharing agreements were dependent on the Group's business results.

(1) All officers (deck & engine room) working on vessels of the supply type.

The rate of coverage of onshore and seagoing personnel by private medical insurance during 2017 was 68% for the subsidiaries employing seagoing personnel and 67% for the subsidiaries employing onshore personnel.

The changes in personnel expenses for all group employees are presented in note 5.3 to the consolidated financial statements.

6.1.2 A policy to promote operational excellence

6.1.2.1 Organization of the Human Resources policy

The Human Resources policy, approved by the Management, is implemented by the Group's Human Resources Department. It defines the guidelines for recruitment, compensation, training and career management for all personnel; the arrangements are then applied to BOURBON's three main categories of staff through the operating subsidiaries that employ them.

The integrated computer system (Onsoft Computer Systems AS) which manages Group personnel and its crewing activity (administrative management, planning, training, pay) continued to be developed in 2017. HORIZON, a complementary tool from Talentsoft, maps the business and streamlines and documents interactions and interviews on the basis of appraisals, training plans and mobility prospects.

In total, the tools have enabled the integrated management of 93% of the reported workforce (under contract and without contract), as of December 31, 2017.

6.1.2.2 Development of collective competence

BOURBON continues to believe that excellence in service is possible through the development of collectively competent and committed teams. The systems for the evaluation of performance and individual skills are designed to be applied worldwide across all personnel categories.

The need to cut costs has forced the Group to reduce its training expenditure: only compulsory training or training that has been contractually agreed with clients is funded. Nearly all training that does not meet these criteria has been postponed indefinitely. In addition, after setting up a digital e-learning solution for onshore personnel, BOURBON is continuing to roll out this solution to seagoing personnel. The internal transfer of skills also uses a network of occasional trainers who have been identified and trained in the approach.

The training of onshore personnel ⁽¹⁾ totaled 9,501 hours in 2017, including 1,058 hours in internal training (mainly job training) and 7% in e-learning training.

Job training made up 73% of this training and mainly involved security and safety (evacuation, fire prevention) and standards and regulations (ISM and ISPS, MLC, ISO 9001, etc.).

In 2017, the training courses that are mandatory under international regulations (STCW, MLC), represented 54% of the training effort for seagoing personnel, which stood at 114,077 hours. This effort also includes training on the standards of the offshore industry and standards established by BOURBON for its workforce. BOURBON's standards are especially focused on the training of newly recruited crewboat personnel.

6.1.2.3 Organization of work

6.1.2.3.1 Organization of work

Seagoing personnel and specialized categories of onboard personnel work according to shift systems alternating periods onboard with onshore rest periods; these systems vary according to the operational zones, types of vessel, and depending on the Company or collective agreements in force. During onboard periods, the work of seagoing personnel is organized in a way that respects the rest times required by the conventions (STCW, MLC) and the regulations of flag authorities. Vessel captains and onshore teams are responsible for ensuring compliance with these regulations.

The organization of work and rest time of onshore personnel depends on the legislative framework applicable and on the collective agreements entered into at a sector specific or local entity level. All mobilized onshore personnel, payroll & contracted.

In 2017, 48% of subsidiaries reported that they referred to internal rules and 33% to collective agreements for managing the working time of their seagoing and/or onshore personnel.

In 2017, 50% of the subsidiaries declared that they had adapted the hours of their onshore personnel, notably with the use of teleworking for 8% of the subsidiaries, part-time working for 13% of subsidiaries and flexible hours for 41% of subsidiaries. Some technical functions on the operational support bases require a continued presence. The personnel in these roles work according to specific shift systems alternating work and rest periods. During continuous working time, daily rest periods are respected and weekly rest time caught up on. The shift system was adopted by 13% of subsidiaries in 2017.

6.1.2.3.2 Professional relations, collective agreements and organization of social dialog

BOURBON employs personnel in a large number of countries; compliance with employment regulations and social security protection is the responsibility of the management of each subsidiary. The audits and training campaigns carried out by the Compliance Department are designed to detect and prevent any non-compliance.

In addition to rules arising from law, professional relations are also governed by operational management standards, notably for seagoing personnel. For onshore personnel, internal regulations clarify the rights and duties of each person.

In matters of health, safety and working conditions, there are strict standards and internal policies applicable to seagoing professions and the oil & gas sector that govern this area and it is therefore not necessary to establish additional agreements in HSE matters.

(1) All of the onshore personnel mobilized, payroll & contracted.



In the French companies, employee/management dialog continued to develop in 2017. The necessary adaptation of the Group to a challenging economic context brought the management and employee representatives together around the negotiating table and resulted in the signature of several agreements on compensation and employee benefits, notably:

- ▶ a framework agreement on the procedures for calculating profit-sharing bonuses for the employees of French companies;
- ▶ two profit-sharing agreements;
- ▶ an agreement on the termination of a profit-sharing agreement;
- ▶ an agreement on an obligatory annual negotiation;
- ▶ an agreement on the extension of the terms of office of the employee representatives, in order to ensure continuity in employee/management dialog;
- ▶ an agreement on working time.

At the level of the professional branch, negotiations are ongoing, notably on a framework agreement for working time.

6.1.2.3.3 Absenteeism and occupational illnesses

In 2017, the absenteeism rate was assessed for all subsidiaries and consolidated by category of personnel:

- ▶ seagoing and specialized categories of onboard personnel;
- ▶ onshore personnel.

For onshore personnel, absence ⁽¹⁾ due to sickness or occupational accident was measured, as was the number of unexplained absences. The observed rates were 2.26% for absence due to sickness or accident, and 0.16% for unauthorized absences. To ensure that the consolidated information was consistent, all subsidiaries calculated their absenteeism rate using the same method. Overall, the absenteeism rate recorded for onshore personnel was 2.98%.

For offshore personnel, the absenteeism rate was measured by considering the following scope: personnel directly contracted by Group subsidiaries under a permanent contract. The rate of absenteeism for the Group on this scope was 5.91%, including 5.40% for sickness and 0.51% due to accident.

In terms of occupational illnesses, the Group only publishes data for its French subsidiaries. Regulatory differences among the Group's host countries and the specific aspects of managing seagoing personnel effectively preclude aggregation for this indicator.

In 2017, four cases of occupational illness were reported out of a total of 1,408 days of absence; 3 were due to lumbar, articular and periarticular conditions and 1 to a pulmonary condition.

Alongside the campaigns implemented at Group level (e.g. the "Safety Takes Me Home" campaign and use of personal protective equipment (PPE), the subsidiaries have developed local safety or awareness campaigns both for onshore and seagoing personnel, designed to prevent operational risks and the health problems that could result (e.g. tropical diseases, correct movement and posture, water quality, vaccination, etc.).

In 2018, the Group wished to broaden the scope of reporting of occupational illnesses to all of its subsidiaries. A survey should provide better information on illnesses of a work-related origin, for seagoing personnel and for onshore personnel.

6.1.2.3.4 Compliance with the fundamental conventions of the International Labour Organization (ILO) and human rights

The MLC, Maritime Labour Convention, which was ratified within the ILO in 2006, entered into force in August 2013.

This convention, which is a new pillar of international maritime regulations after STCW, MARPOL and SOLAS, is similar to a Seafarers Charter. It sets minimum working standards onboard vessels of over 500 UMS. It brings together over 60 existing international conventions or regulations. All vessels must carry a maritime labor certificate delivered by flag authorities, to prove that the convention is complied with. This certificate is valid for five years. An interim audit is organized every two and a half years.

As in previous years, a survey was carried out at the end of 2017 to ensure that all subsidiaries still comply with the fundamental conventions of the ILO on freedom of association, non-discrimination, elimination of forced or compulsory labor, and the effective abolition of child labor.

6.1.3 Focus on safety

For BOURBON, operational safety is paramount. The Group strives to ensure that operations are safe, efficient and reliable for clients, who themselves have increasingly strict requirements to adhere to.

Safety at BOURBON includes safety of employees, that of the clients and of all those who work at or for the Group, as well as the protection of assets and the environment. In 2017, over 2.7 million passengers were safely transported to and from offshore sites.

To better meet the increasingly stringent requirements of its clients, BOURBON continues to implement its Operational Safety Management (OSM) standard at all its subsidiaries, which is aligned to the offshore industry program. This modern system integrates the complete operations management chain, defining the responsibilities and individual responsibilities required for safe, efficient operations.

(1) Onshore personnel directly contracted by one of the Group subsidiaries (payroll). Note the exclusion of the Sonasurf entity, for which it was not possible to make the data reliable this year.

BOURBON's aim is to have zero incidents that could harm personal health and safety. To do this, the Group is constantly developing tools and indicators to educate and raise awareness on accident prevention and to encourage best practice. Thus, in 2017, BOURBON continued to develop its latest monthly accident prevention tool called "Safety Post". This new accident prevention tool is presented in the form of a one-page cartoon and tells of a real incident that occurred in one of the Group's places of work. These A4 sheets, distributed regularly to all operational bases and vessels in the fleet, are in addition to the existing material made available during the last three years as part of the first, second and third "Safety Takes Me Home" campaigns. In addition to these accident prevention tools, BOURBON has developed e-learning training courses dedicated to safety, such as the "Safety Group Induction" module or the "Pre-Task Planning" module.

- ▶ The objective was to raise the awareness of all employees so that they adopt a responsible and proactive attitude.

According to data from the International Support Vessel Owner's Association (ISOA) and the IMCA (International Marine Contractors Association), which includes the main offshore oil and gas maritime services players, BOURBON's safety performance is very good.

- ▶ Lost Time Injury Rate (LTIR): Frequency of accidents causing a stoppage of work per million hours worked;
- ▶ Total Recordable Incidents Rate (TRIR): Frequency of reported accidents, including accidents with stoppage of work, injuries

requiring time off or physical rest (reassignment, reduced hours, etc.), and injuries requiring appropriate medical care and monitoring, but which do not require time off or stoppage of work. This frequency is also expressed per million hours worked.

In 2017, the LTIR was 0.25, and the TRIR was 0.52.

For 2017, BOURBON recorded 8 Lost Time Injuries (LTI) of the Lost Work Cases (LWC) type, 7 Restricted Work Cases (RWC) and 2 Medical Treatment Cases (MTC). As a reminder:

- ▶ LTIs are accidents resulting in injuries which do not have after effects involving a temporary stoppage of work (Lost Work Cases or LWC), with partial permanent aftereffects (Permanent Partial Disability or PPD), with full aftereffects (Permanent Total Disability or PTD), or fatalities (or FATs);
- ▶ RWCs are cases where the injured person is able to continue working but in an adapted or restricted form;
- ▶ MTCs are cases where the injured person is able to resume their work as normal, but the type of injury they have sustained requires medical intervention as defined by oil industry rules.

In 2017, four cases of occupational illnesses were reported to the Group by the subsidiaries. However, BOURBON draws particular attention to the risks posed by the malaria, Ebola and Zika viruses by publishing educational material on its intranet.

6.2 SOCIETAL INFORMATION

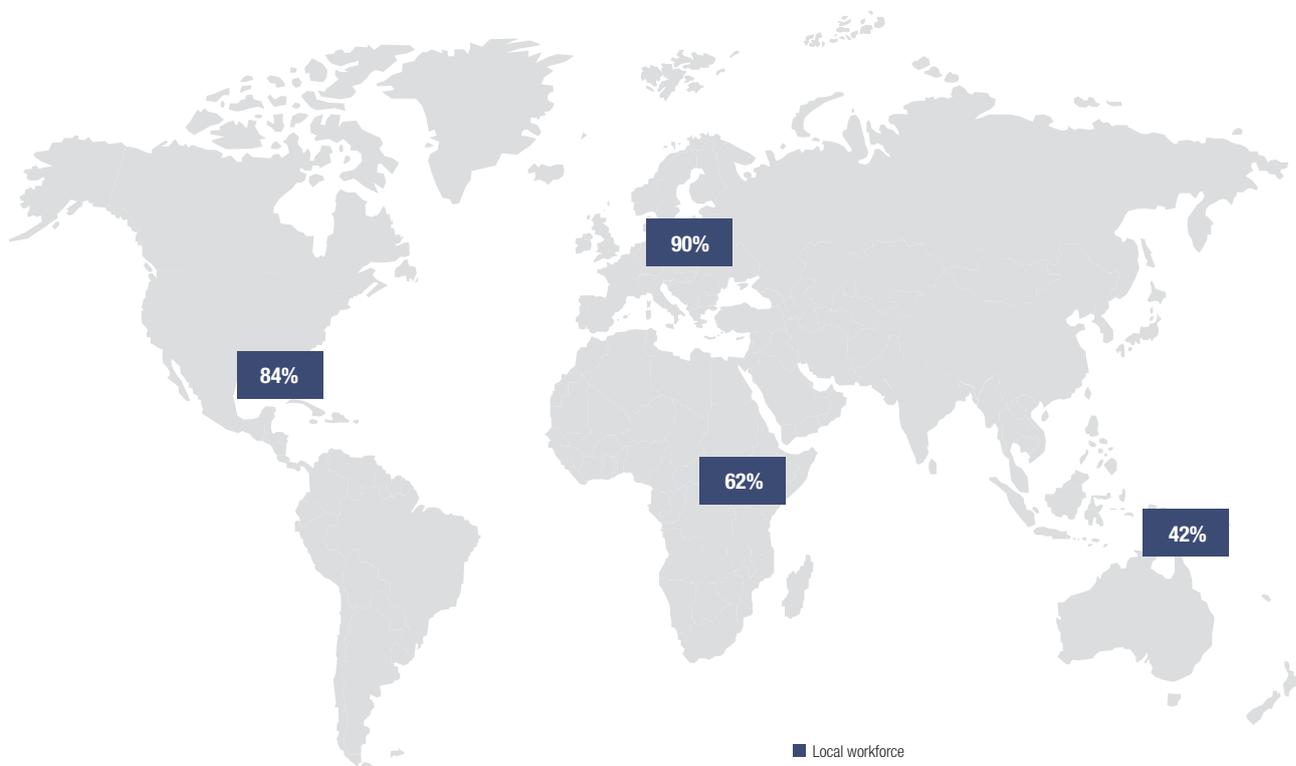
6.2.1 Involvement in the socio-economic development of the countries and relationships with stakeholders

6.2.1.1 Local establishment

This is a core value of BOURBON that generates a positive, and responsible, economic and social impact in those countries where it provides services. 64% of the workforce in a country are nationals, up 2% from 2016. This figure rises to 80% for onshore positions.

Local establishment ⁽¹⁾ is 74% across the entire Group.

► PERCENTAGE OF LOCAL WORKFORCE FOR EACH OPERATING ZONE



6.2.1.2 Partnerships/sponsorships in France and overseas

The BOURBON Foundation, under the aegis of the Fondation de France, continued to sponsor its two key partners in Nigeria and Thailand, and also launched new support projects. The Foundation's mission is to develop and sponsor general-interest projects with direct links to education, training, health and local development, in France and other countries where the Group operates.

Current projects:

- the last year of the three years of commitment with the IECD ⁽²⁾ once more enabled concrete results to be achieved. The

overarching objective is to foster the inclusion of young people within the labor market in Nigeria. This year was again marked by the second class of graduates and the development of new specializations (solar energy and electrical design), providing students with more possibilities for jobs and training courses;

- the second partnership with the Baan Dek Foundation in Thailand, primarily aimed at giving Burmese migrants access to childcare, was also a success. More than 1,200 migrant children received educational support on topics relating to hygiene, health and the environment. BOURBON will have donated more than €45,000 in total, taking into account all the actions implemented in 2017.

(1) Local establishment: staff originating from the geographical region in which they work (Asia 84%, America 85%, Europe 97% and Africa 65%).

(2) IECD: Institut Européen de Coopération et de Développement (European Institute for Cooperation and Development).

Finally, the open days held in 2017 showcasing the assistance, salvage and pollution remediation tugs operated by the Company Les Abeilles along the French coast raised more than €25,000, which will be shared between:

- ▶ the Association *Œuvres Sociales de la Marine* (Brest);
- ▶ the Association *Œuvres Sociales de la Marine* (Cherbourg);
- ▶ the *Caisse des Pêris en Mer de Cherbourg* (Cherbourg);
- ▶ *Recherche Contre la MUCOVISCIDOSE* (Brest).

6.2.1.3 Relations with stakeholders and fair practice

BOURBON has identified its stakeholders as all people and organizations able to influence or be influenced by the Group's decisions and activities. The Group has maintained a close dialog with its employees, clients and shareholders, *i.e.* its main stakeholders over a period of some years (*e.g.* by providing a free phone number for shareholders, asking clients to complete a satisfaction survey after each contract, etc.). This close collaboration permitted BOURBON to improve its global performance, particularly in committing itself to continuous improvement through CSR with this method.

In its Code of conduct, BOURBON defines the rules that apply to all Group employees and other stakeholders (suppliers, partners and clients), ensuring that they work together to respect local cultures, people, laws and ethics. The principles it contains show the way forward for ethical conduct. A supplier Code of conduct sets out the commitments that the Group expects from its suppliers and subcontractors, particularly regarding respect for fundamental rights at work, health and safety, environmental protection, anti-corruption, and promoting economic and social development. At the Group level, local procurement is favored as much as possible to build lasting relationships with local suppliers and boost the local economy. The Code of conduct is routinely included in contracts and is published on BOURBON's website.

6.2.1.3.1 Local purchases

BOURBON attaches particular importance to the impact of its activities in the areas where it operates, especially with regard to the social and economic aspects. As part of its overall strategy, BOURBON is continuing to develop local partnerships by integrating quality and international safety standards.

In 2017, local procurement accounted for around 56% of purchases of parts and supplies (unchanged from the previous year) and directly helped to support the local economy. The proportion of local purchases developed as far as possible in the various geographical zones where BOURBON operates.

This type of procurement mainly focuses on routine supplies and services for vessel maintenance (engine oils, spare parts, services, ship repair yards) and operations (catering and other services). Prioritizing local procurement offers significant added value in terms of response times and overall purchasing costs (including logistics).

6.2.1.3.2 Suppliers and subcontractors

In 2014, the Group Purchasing function was completely reorganized to improve international supplier management and to deploy tools and processes common to all subsidiaries worldwide.

This enabled procedures and tools to be introduced to improve monitoring of suppliers, with the implementation of purchasing strategies by product category, supplier quality management and performance measurement through regular assessments and risk analysis. All of these processes factor in quality standards and ethical issues. In 2017, more than 30 evaluations were carried out (70% fewer than in 2016) because, overall, the vessels had fewer programmed technical shutdowns, given the economic conditions.

BOURBON has defined a single scope for its suppliers and subcontractors. This includes, in addition to the procurement of parts and supplies, the following categories: fuel, classification societies, flags, freight forwarders, telecommunications, travel agencies and external manning agents. Of these, two categories (external manning and ship repair yards) account for more than 13% and 9% of purchases respectively. In terms of risk management, therefore, it is essential that BOURBON prioritizes its actions with these suppliers:

- ▶ firstly, external manning agents: these subcontractors are closely monitored since they manage a significant percentage of the Group's workforce (27% in 2017). They comply with international standards and with BOURBON's standards (see section 6.1.1.3 on international recruitment policy) and undergo annual internal audits;
- ▶ secondly, ship repair yards: they perform maintenance on vessels in the fleet, which are the Group's major assets. The nature of the work carried out by these subcontractors requires strict safety management. Accordingly, HSE criteria are given a higher weighting during annual appraisals.

6.2.1.3.3 Compliance program

BOURBON has set up a compliance program. As regards the specific corruption risk linked to the countries in which the Group operates, anti-corruption measures and procedures are an integral part of this program. Its main components are described in the "internal control and risk management procedures" section of the management report. The Group has also put in place a dedicated compliance organization with 26 compliance managers across the Group's subsidiaries who report to the Corporate compliance team. The Group also has a dedicated procedure for compliance requirements which it applies to third parties and its suppliers in particular.

In 2015, the Group launched a Compliance E-learning Program for all of its onshore and offshore employees. The e-learning program continued in 2017. Very close attention is paid to seagoing personnel who have limited internet access.



Because situations on the ground can be complex, BOURBON employees and stakeholders may need support in the application or interpretation of the Code of Conduct. BOURBON strengthened its ethical approach by providing its employees and stakeholders with an ethics alert line available 24/7 enabling anyone to report behavior contrary to the BOURBON Code of Conduct.

6.3 ENVIRONMENTAL INFORMATION

6.3.1 General environmental policy

Five subsidiaries of the Group were certified ISO 14001. With its Operational Safety Management (OSM) ⁽¹⁾ standard, BOURBON takes a harmonized approach towards operational safety and efficiency, with a special section on the environment. The aim is for all BOURBON entities to have a tool enabling them to measure and improve their management systems, via a self-assessment based on KPIs derived from industry best practice, both for onshore and offshore operations.

In 2017, the team responsible for managing fuel use continued its efforts to improve the collection, processing, quality, verification and sharing of environmental data from vessels.

An application to collect operational data has been installed on Board 222 Supply and Crew Boats of over 32 m. This application collects vessel operations daily, as well as engine hours that are directly linked to diesel consumption. Fuel, water, oil and waste consumption data are also collected daily. This data is automatically shared internally with over 520 users (Management and Captains/Head Mechanics) using dashboards developed by the "Fuel Management" and "Business Intelligence" teams. This information makes it possible

to optimize consumption and minimize the environmental impact of BOURBON's maritime activities.

Since the client remains the initiator for operations, the scope for action may seem limited. Nevertheless, best practices have been introduced on board vessels to optimize consumption, reduce engine hours and lower emissions.

In 2017, crew training in good operational practices continued, the aim being to minimize fuel consumption and therefore greenhouse gas emissions as much as possible. For example, captains are automatically notified by email when best practice for efficient vessel management has not been followed.

Finally, the reference officers provide onboard training in modules on the BOURBON intranet. Reference officers and Internal Auditors also stress the importance of the quality of reporting for data reliability. All seagoing personnel have access to the various environmental regulations applicable on their vessel. All these measures raise the awareness of seagoing personnel on environmental protection.

The daily monitoring of consumption on 222 vessels and monthly monitoring on the rest of the fleet makes it possible to distinguish consumption by vessels during chartering and non-chartering periods, and also enables figures to be fed back on waste generation and freshwater consumption. The recommendations made by international bodies in this regard, particularly the International Maritime Organization (IMO), have been respected.

The consumption of fuel (Marine Gas Oil) and lubricant oil in 2017 was 368,090 m³, and 1,834 m³ respectively. In 2017, consumption outside chartering periods represented 24,926 m³, i.e. 6.7% of the Group's total consumption.

The gross emissions for 2017 are presented in the table below:

(in metric tons)	2017	2016	2015
Emissions of CO ₂	1,002,705	1,158,888	1,393,658
Emissions of SO _x *	1,716	1,646	2,211
Emissions of NO _x	22,423	25,390	29,910

* The sulfur rate is reported by seafaring personnel or failing this, estimated using the following ratios 0.1% per unit mass in Europe, the North Sea, and 0.5% per unit mass in the rest of the world.

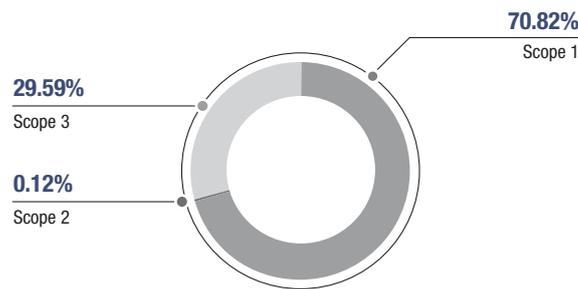
(1) OSM: Operational Safety Management – defined by the Oil Companies International Marine Forum (OCIMF).

Decree No. 2016-1138 was published in 2016 regarding environmental information in the context of the application of Article 173-IV of the law on energy transition. Accordingly, BOURBON evaluated its indirect emissions throughout the entire value chain in addition to the direct emissions already reported earlier in this document. This means that the emissions including those upstream and downstream of the Group's activities have been taken

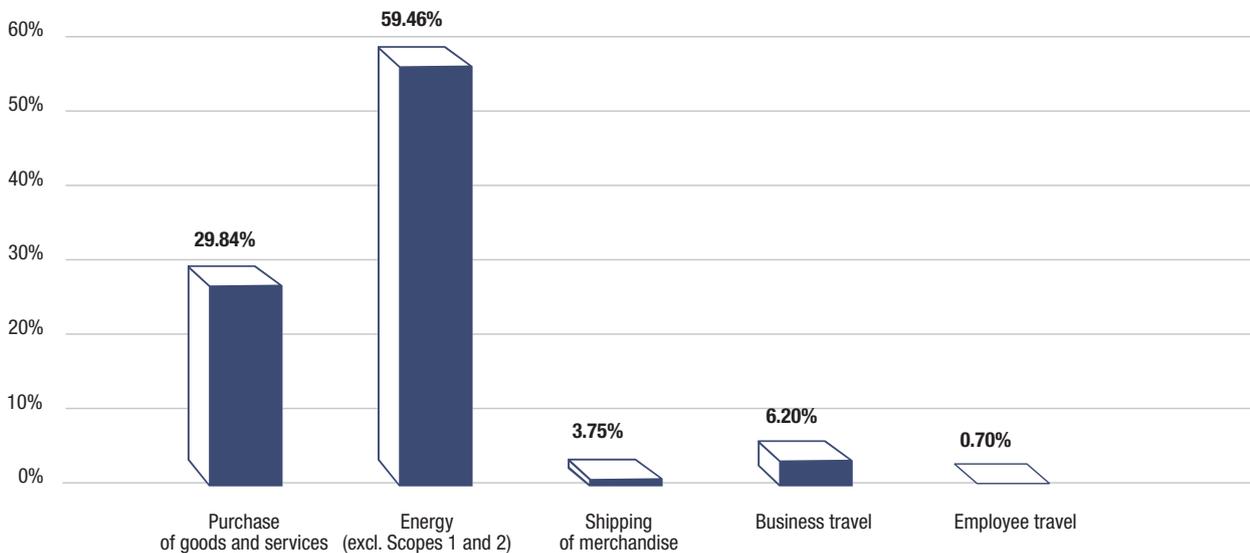
into account in reference to the Greenhouse Gas (GHG) Protocol. The objective of this protocol is to standardize the fight against climate change on a global scale. It is divided into three levels that correspond to specific emissions scopes.

The tool provided by the GHG Protocol therefore calculates CO₂ emissions based on financial data. It has facilitated the breakdown of emissions by scope and by main emissions category:

► DISTRIBUTION OF CO₂ EMISSIONS BY SCOPE



► MAIN CATEGORY OF INDIRECT EMISSIONS



The most significant categories for emissions in scope 3 are:

- category 3 “Energy” (59.46%), which represents emissions associated with energy not included in scopes 1 and 2 (extraction, production and transportation of the energy sources used by BOURBON);
- category 1 “Purchase of goods and services” (29.84%), which represents emissions associated with Group purchases (extraction, production and transportation).

Currently, climate change has no impact on the activities of BOURBON vessels. Depending on changes, emergency procedures will be reviewed and updated.

To date, BOURBON's accounts contain no significant provision that represents an environmental risk. BOURBON's position in this area is described in section 5.3 of the management report.

Each vessel also has the “Emergency and Contingency Plan” on Board which lists all the decontamination exercises done on board. BOURBON requires each of its vessels to do at least four of these decontamination exercises per year. The officers issue instructions for each exercise.

6.3.2 Management of resources

BOURBON operates a fleet of modern vessels, for the most part equipped with diesel-electric propulsion technology that significantly reduces consumption and atmospheric emissions for offshore oil and gas marine services. A dedicated Fuel Management team is responsible for reporting, monitoring and analyzing the environmental data and has designed ways to feed data back to the crews and various land-based teams (HSE, operations, central functions). The implementation of dashboards makes it possible to monitor environmental indicators every month (Marine Gas Oil, lubricant oil, waste, emissions etc.). This enables the Group to adopt operational behavior which is increasingly responsible.

Freshwater production is 61,148 m³ (produced by 47 vessels using osmosis filter systems). The consumption of fresh water on board the vessels includes water for sanitary use as well as water intended for rinsing vessel equipment. It was 296,982 m³ across the whole fleet excluding crew boats under 32 m. The consumption of bottled drinking water has not been reported, and neither has the indirect consumption of (electrical) energy by all the offices of the operational subsidiaries. Electricity consumption by offices in France is almost 800 MWh.

6.3.3 Pollution and waste management

As far as the prevention of environmental risks is concerned, BOURBON applies national and international rules as outlined in section 5.2 of the management report.

Special attention needs to be paid to polluting waste that is accidentally discharged into the sea. In 2017, BOURBON did not log a single major incident ⁽¹⁾ of the kind that would cause environmental harm.

The *Bourbon Liberty* 150 (15 vessels), *Bourbon Liberty* 300 (20 vessels), *Bourbon Explorer* 500 (10 vessels), *Bourbon Evolution* 800 (10 vessels), PX 105 (6 vessels) and P 105 (6 vessels) series meet the Oil Recovery classification. This classification indicates that these vessels can contain pollution and retrieve and store on board the hydrocarbons responsible for this pollution.

BOURBON's vessels are equipped with waste treatment systems that are compliant with the international regulations in force, in particular those of the IMO. The total volume of waste generated in 2017 was 13,947.96 m³. The volume of used ⁽²⁾ oil treated amounted to 3,773 m³ across the fleet, excluding Crew Boats under 32 m. The waste generated and used oil discharged on land are processed by approved companies.

The latest series of vessels delivered – namely the *Bourbon Liberty* 300 (20 vessels), *Bourbon Explorer* 500 (9 vessels), *Bourbon Evolution* (10 vessels), P 105 (5 vessels) and PX 105 (4 vessels) – satisfy the Cleanship classification requirements. These vessels have been designed and constructed to address the stringent requirements of protecting fuel reserves, treating waste water and general waste, limiting discharges into the water and the risk of water pollution as well as the impact on biodiversity.

(1) Major incident: release of more than 500 liters of products into the sea.

(2) The reported quantity of treated used oil does not include the quantity of used oil incinerated onboard.

6.4 NOTE ON SOCIAL AND ENVIRONMENTAL REPORTING METHODOLOGY

6.4.1 External standards

The Group relies on Article 225 of the Grenelle II Act to report on and monitor its human resources, environmental and social indicators.

6.4.2 Tools used

The Onsoft Computer Systems AS integrated information system was used to collect and process the social data for 2017 sent by the local entities. This information system was combined with the decision-making information system Business Intelligence, and the annual survey Human Resources - Crewing.

The environmental data are obtained from the Surfer Reporting Application for Surfers below 32 m, while the Operational Data Application (ODA), a daily reporting tool launched in 2014, covers BOURBON's fleet of supply vessels and Surfers above 32 m.

6.4.3 Social indicators

BOURBON's social reporting is carried out over the fiscal year (January to December). The scope of the social indicators includes subsidiaries controlled operationally by the Group and carrying employees, as well as three associate subsidiaries (Bourbon Gulf, Bourbon Marine Services Manila LTD, Sonasurf (Angola), Companhia de Serviços Marítimos, LDA). The other three associate subsidiaries (EPD Yangzhou, EPD Asia, Southern Transformer and Magnetics) are not included within the scope of the social indicators, as their core business is not the same as BOURBON's.

Regional and local establishment are determined according to the geographical assignment of employees and their nationality.

The reporting of training hours covers 94% of the onshore workforce, excluding three entities (Naviera Bourbon Tamaulipas, Les Abeilles, Aries Marine), and 94% of the offshore workforce, excluding two subsidiaries (Naviera Bourbon Tamaulipas and Les Abeilles). In order to exclude weekends, which could be included in reports of offshore training courses, the following conservative approach was applied this year: training courses lasting less than 5 days were considered as calendar days and, for training courses of more than 5 days, only the business days were considered. This indicator will be made more reliable during the next fiscal year.

The reporting of rates of absenteeism covers all directly-contracted onshore personnel (payroll), representing 86% of the onshore workforce, a priori without the exclusion of any subsidiary; nevertheless, as it was not possible to make the data for the Sonasurf entity reliable this year, it was excluded from the consolidated data, causing a reduction in coverage rates for this indicator, which is now 77%. The reporting of the absenteeism rate covers all directly contracted offshore personnel (excluding the subsidiaries Naviera Bourbon Tamaulipas and Les Abeilles) on a permanent contract (permanent contract payroll), i.e. 29% of offshore workforce.

The reasons for absence included in the calculation of absenteeism rate are: illness, accident, unauthorized absence, absence for industrial reasons (strike, etc.). Unpaid leave is also included for onshore personnel only.

Accidentology indicators (LTIR, TRIR) are calculated using the OSHA's (Occupational Safety and Health administration) benchmark. Accidents giving rise to disembarkation for medical reasons are not classified as LWC if the seafarer is able to resume work the day after the accident. Work-related accidents recognized by the competent national authorities are counted only if their characteristics are also confirmed according to the rules defined by the standards of the OCIMF.

Formula for calculating hours worked by offshore personnel: for subsidiaries for which all activities of offshore personnel are entered in OCS HR: Number of days of working activity of offshore personnel * 24 hours of work per day.

For the other subsidiaries having offshore personnel: number of days when the vessel is in the fleet* 24 hours of work per day x theoretical average number of persons on board x 105%. The theoretical average number of persons on board is defined in a table depending on the vessel sub-type and status.

Formula for calculating the hours worked by onshore personnel: 8 hours of work per day x average workforce over the year x number of theoretical days worked. The number of theoretical days worked is defined in a table based on the legislation and collective agreements in force in each country where onshore personnel work. It excludes weekend days, holidays and annual leave.

In terms of occupational illnesses, the scope is limited to the Group's French subsidiaries, *i.e.*, 20% of the workforce at the end of the period.

6.4.4 Environmental indicators

The environmental data, for the indicators relative to gas emissions (emissions of CO₂, SO_x and NO_x) and energy consumption (Marine Gas Oil) concern respectively 392, 391 and 388 of the 392 vessels of the Marine Services and Subsea Services activities that operated in 2017 ⁽¹⁾. The impact of non-chartered vessels is not significant.

The indicators on waste, the use of freshwater and used oil only cover Supply and Surfer vessels under 32 m. They do not cover the 178 Surfer vessels under 32 m whose overall impact is not significant.

The indicator for the quantity of used oil incorporates 208 vessels following the exclusion of 6 vessels with unreliable data.

The Group's environmental performance has been followed on the basis of relevant indicators with regard to its activities.

The indicators have been calculated on the following principles:

- ▶ CO₂: fuel consumption, with an applied mass coefficient of 3.206, in compliance with circular MEPC/47111 of the International Maritime Organization (OMI). Fuel consumption is reported using the Surfer Reporting Application (SRA) and the Operational Data Application (ODA) by seagoing personnel;
- ▶ SO_x emissions are calculated on the basis of fuel use and the average sulfur rate;
- ▶ NO_x emissions are calculated on the basis of engine rating, hours of machine operation, load factor and emission factor of each engine;
- ▶ the fuel density is reported by crew or, failing this, estimated using the ratio 0.85 metric ton/m³.

6.4.5 Additional information on the application of the provisions of Article L. 225-102 of the French Commercial Code

Given the specific nature of its business, BOURBON does not consider the following issues referred to in Article L. 225-102 of the French Commercial Code to be applicable in view of their irrelevance with the Group's operations: consumer health and safety, use of raw materials, land use, noise pollution and food wastage.

Furthermore, BOURBON does not disclose the electricity consumption of its offices outside France, as this is considered to be immaterial in comparison with its fleet's fuel consumption.

(1) 1 vessel had to be excluded from SO_x emissions because it was not possible to make its data reliable this year and 4 vessels did not report information on NO_x.

6.5 CROSS-REFERENCE TABLE OF SOCIAL AND ENVIRONMENTAL INFORMATION

Reference Grenelle Act 2 – Art. R. 225-102.1 (Decree No. 2012-557)	Management report page	Management report reference
Social Information		
Employment		
Total workforce and breakdown by gender, age and geographical zone	81	6.1.1.1
Hiring and departures	82	6.1.1.4
Compensation and change therein	82	6.1.1.5
Organization of work		
Organization of work time	83	6.1.2.3.1
Absenteeism	84	6.1.2.3.3
Social relations		
Organization of social dialog (procedures for informing, consulting and negotiating with staff)		6.1.2.3.2
Workplace health and safety agreements signed with trade union organizations or employee representatives		6.1.2.3.2
Record of collective agreements	84-85	6.1.2.3.2
Health and safety		
The conditions of health and safety at work	84-85	6.1.3
Accidents at work (frequency and seriousness) as well as occupational diseases		6.1.3
Occupational illnesses	84	6.1.2.3.3
Training		
Training policies implemented		
Total number of hours of training	83	6.1.2.2
Equal treatment		
Measures taken to promote equality among women and men	82	6.1.1.2
Measures taken to promote the employment and integration of disabled people		6.1.1.2
Anti-discrimination policy	82	6.1.1.2
Promotion of and compliance with the stipulations of the fundamental conventions of the International Labour Organization on respect for freedom of association and the right to collective bargaining		
On respect for freedom of association and the right to collective bargaining		6.1.2.3.4
Elimination of discrimination in employment and occupation		6.1.2.3.4
Elimination of forced or compulsory labor	84	6.1.2.3.4
Effective abolition of child labor		6.1.2.3.4
Environmental information		
General environmental policy		
The organization of the Company to take into account environmental issues, and, if required, measures taken for environmental assessment or certification		
Activities carried out to train and inform employees regarding environmental protection		
Resources allocated to the prevention of environmental risks and pollution	88-99	6.3.1
The amount set aside as provisions and guarantees for environmental risks, provided this information does not cause serious damage to the Company in an ongoing litigation		

Reference Grenelle Act 2 – Art. R. 225-102.1 (Decree No. 2012-557)	Management report page	Management report reference
Pollution and waste management		
Measures for preventing, reducing or repairing air, water and ground emissions seriously affecting the environment		
Measures for the prevention, recycling and elimination of waste		6.3.3
Taking into account noise pollution and all other forms of pollution specific to an activity	90	N/A
Sustainable use of resources		
Water consumption and supply according to local constraints	90	6.3.2
Consumption of raw materials and measures taken to improve their efficient use	N/A	N/A
The consumption of energy, measures taken to improve energy efficiency and use renewable energies	89-90	6.3.1 and 6.3.2
Use of land	N/A	N/A
Climate change		
Greenhouse gas emissions		
Adaptation to the consequences of climate change	89-90	6.3.1
Protection of biodiversity		
Measures taken to preserve or develop biodiversity	90	6.3.3
Information on societal commitments in favor of sustainable development		
Territorial, economic and social impact of the Company's activity		
In terms of employment and regional development		
On local populations	86	6.2.1.1 and 6.2.1.2
Relations with persons or organizations affected by or involved in the Company's activity, including integration associations, educational institutions, environmental protection associations, consumer associations and local populations		
The conditions for dialog with these individuals or organizations		6.2.1.3
Partnership or sponsorship activities	86-87	6.2.1.2
Subcontracting and suppliers		
Taking into account social and environmental issues in the purchasing policy		6.2.1.3.1
Importance of sub-contracting and consideration of social and environmental responsibility in relations with suppliers and sub-contractors	87	6.2.1.3.2
Fair practices		
Measures taken to prevent corruption	87-88	6.2.1.3.3
Measures taken in favor of consumer health and safety	N/A	N/A
Other measures taken in favor of human rights	84	6.1.2.3.4