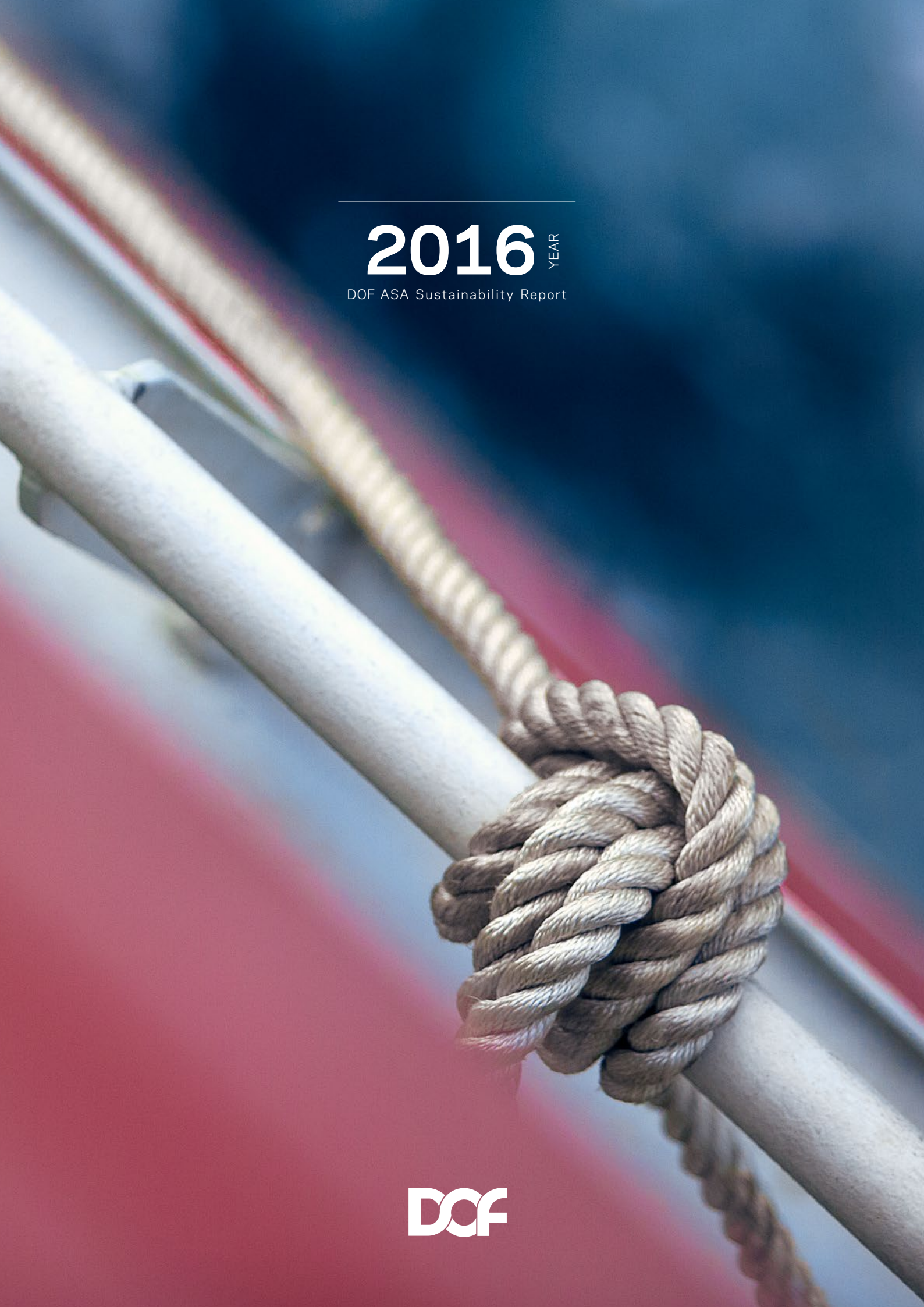


2016 YEAR

DOF ASA Sustainability Report

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.

DOF ASA
ALFABYGGET
5392 STOREBØ
NORWAY
WWW.DOF.NO

2016

DOF ASA SUSTAINABILITY REPORT

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- Teamwork 42
- Excellence 48

Appendix 54

A brief forward about our report

This report has been put together with great care and DOF is proud to be releasing its third stand-alone Sustainability Report. This report has been structured in accordance with our values, which allows the report to present DOF's efforts and results within its obligations towards sustainable operations.


SKANDI AÇU
DOF
Technip
Huisman



DOF – Balancing risk & opportunity in a sustainable way

DOF is positioned as a solid player in the industry with our investment in a state-of-the-art fleet, combined with a strong safety culture and a flexible business model.

PHOTO: Skandi Acu, set to begin a long-term contract in Brazil, begins sea trials in Holland.

Balancing risk & opportunity in a sustainable way

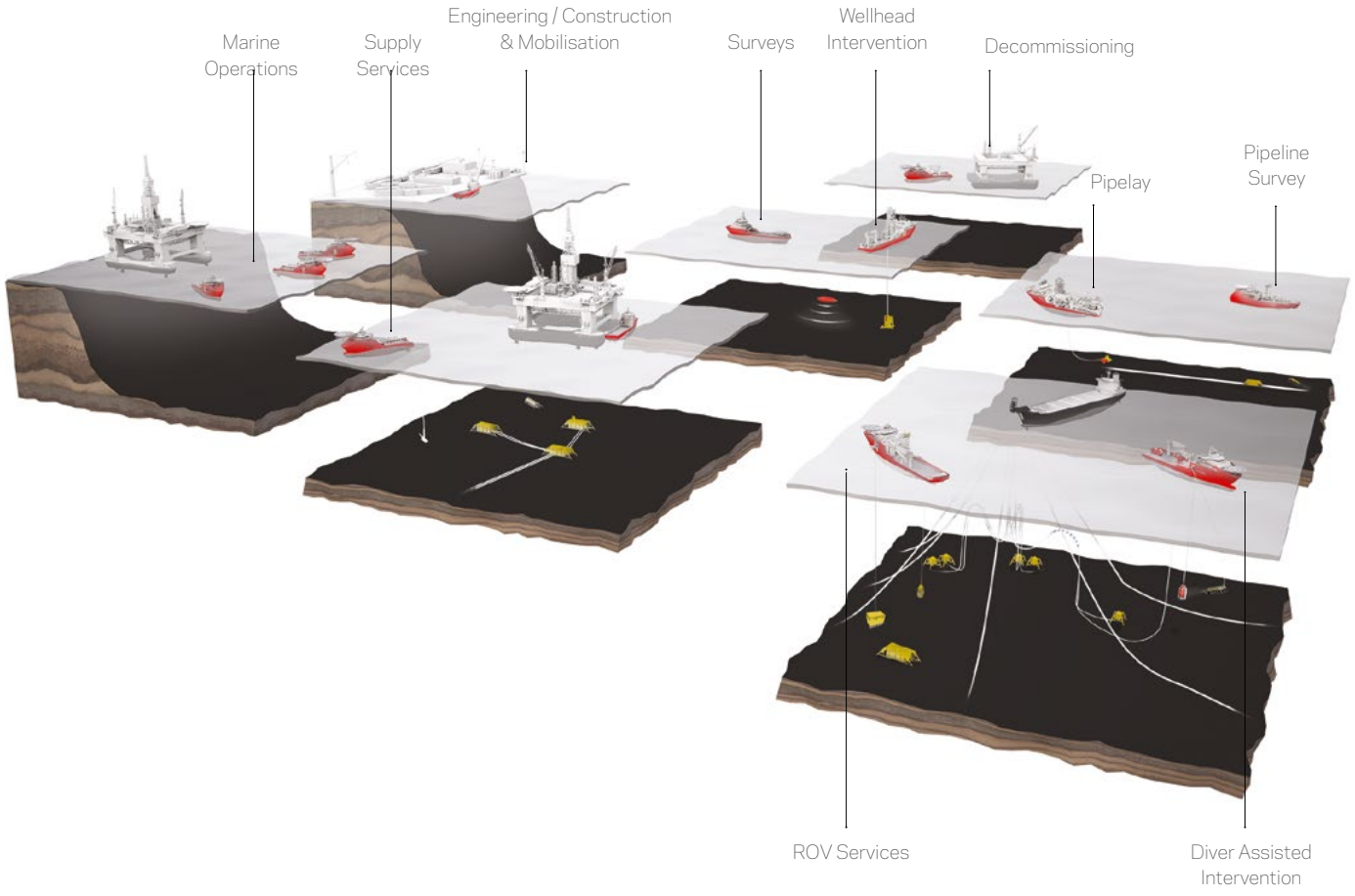
DOF is positioned as a solid player in the industry with our investment in a state-of-the-art fleet, combined with a strong safety culture and a flexible business model.

The Group operates in three segments of the offshore services market, strategically defined by activities and vessel types: Subsea (Subsea vessels and Subsea engineering services), AHTS (Anchor Handling Tug Supply vessels) and PSV (Platform Supply Vessels). As at 31 December 2016, DOF has a global workforce of close to 4,100 employees and a fleet comprising of 68 vessels, including two vessels owned less than 50% and four newbuilds. The Group owns in addition a fleet of 67 ROVs with an additional two ROVs under construction.

The DOF Group company Vision is:
To be a world class integrated offshore company, delivering solutions responsibly, balancing risk and opportunities in a sustainable way, together – everyday.

The company Values further support this by embedding the following core ideals into all personnel and throughout all company activities:
Respect – Integrity – Teamwork – Excellence – Above all we are SAFE.

No matter where DOF operates in the world, safety is held as the highest priority. DOF strives to be the leader in the fields of health, safety and working environment, while ensuring that its activities have minimal impact upon the external environment.



This is DOF - **Figure 1**

Management Letter

2016 has been one of the most challenging years for our industry ever, with low offshore activity and a significant market imbalance in all our markets. Balancing environmental, social and economic performance is entrenched in DOF policies and practice.

Management letter GRI-G4-1

SAFETY

To be safe is a fundamental basis of DOF. During the year DOF has had a strong focus on improving our safety culture. Safety for our employees on all vessels and worksites remains priority number one. We must all prioritize Safety and follow our guidelines and our saying; "Safety starts with you". Even though we have seen improvements, more can be done and efforts need to continue to strengthen and improve our safety behaviour and culture on all worksites in 2017.

SUSTAINABILITY

For DOF, sustainability is an important concept. This refers to the ability of an organisation to endure in the long-term within its external environment, and focuses on the balance between social, environmental and economic elements. The successful balance of these three elements ensures that DOF remain commercially feasible, socially acceptable and within the capacity of the external environment. This is known as 'Sustainable Operations'. Our new strategy for sustainability clearly demonstrates our obligations, objectives and ambitions for the next 4 year.

EMPLOYEES

It is my view that the employees are the Group's most important resource. Human Resources are recognised as a key business enabler, and the Group is committed to continuously improve the processes which support managing the Group's human capital.

Unfortunately, we have had to adjust our workforce to adapt to the new market situation. By the end of the year almost 4.100 people was employed in the Group.

HUMAN RIGHTS AND LABOUR STANDARDS

The Group embraces practices consistent with international human rights and operate its business in compliance with fundamental labour standards. The Group's policies and standards are based on International Labour Organisation (ILO) conventions and they prohibit any use of forced or child labour. The Group recognises and respect employees' right to freely associate, organise and bargain collectively and the policies are compliant with working hour requirements as established by local laws.



EXTERNAL ENVIRONMENT

During 2016, the focus on energy efficiency has increased by including key performance indicators on the operations of our vessels reflecting environmental performance. Onshore the focus has increased by introducing office energy consumption and CO2 emission estimates due to travelling across the Group's locations. During the year, there have been no spills to the external environment recorded that require reporting to local government or international bodies.

CLIENT RELATIONSHIP AND SUPPLY CHAIN MANAGEMENT

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. In addition, we need a good relationship to our vendors and suppliers delivering equipment and financial services. Utilizing the full breadth of our competence, as well as our global presence and local knowledge, will be vital in order to win new and execute contracts and get repeat work. If we in addition are able to work as a team utilizing the strengths of the Group, I'm confident that we will improve through the market downturn.

CONTINUOUS IMPROVEMENT OF OUR OPERATIONS

It is my view is that continuous improvement of the Group's operations in a systematic manner is a necessity in order to manage risks and realise opportunities, ensuring cost efficient operations in line with our stakeholders' expectations.

Bergen, 20th April, 2017



Mons S. Aase
Chief Executive Officer

Business Overview

DOF is positioned as a solid player in the industry with our investment in a state-of-the-art fleet, combined with a strong safety culture and a flexible business model.

The DOF Group – a global partner GRI-G4-3

DOF ASA is the parent company for the DOF Group of companies. As a public listed company on OSEBX, all market related information can be found in the Investor Relations pages of the DOF Group website: http://www.dof.no.

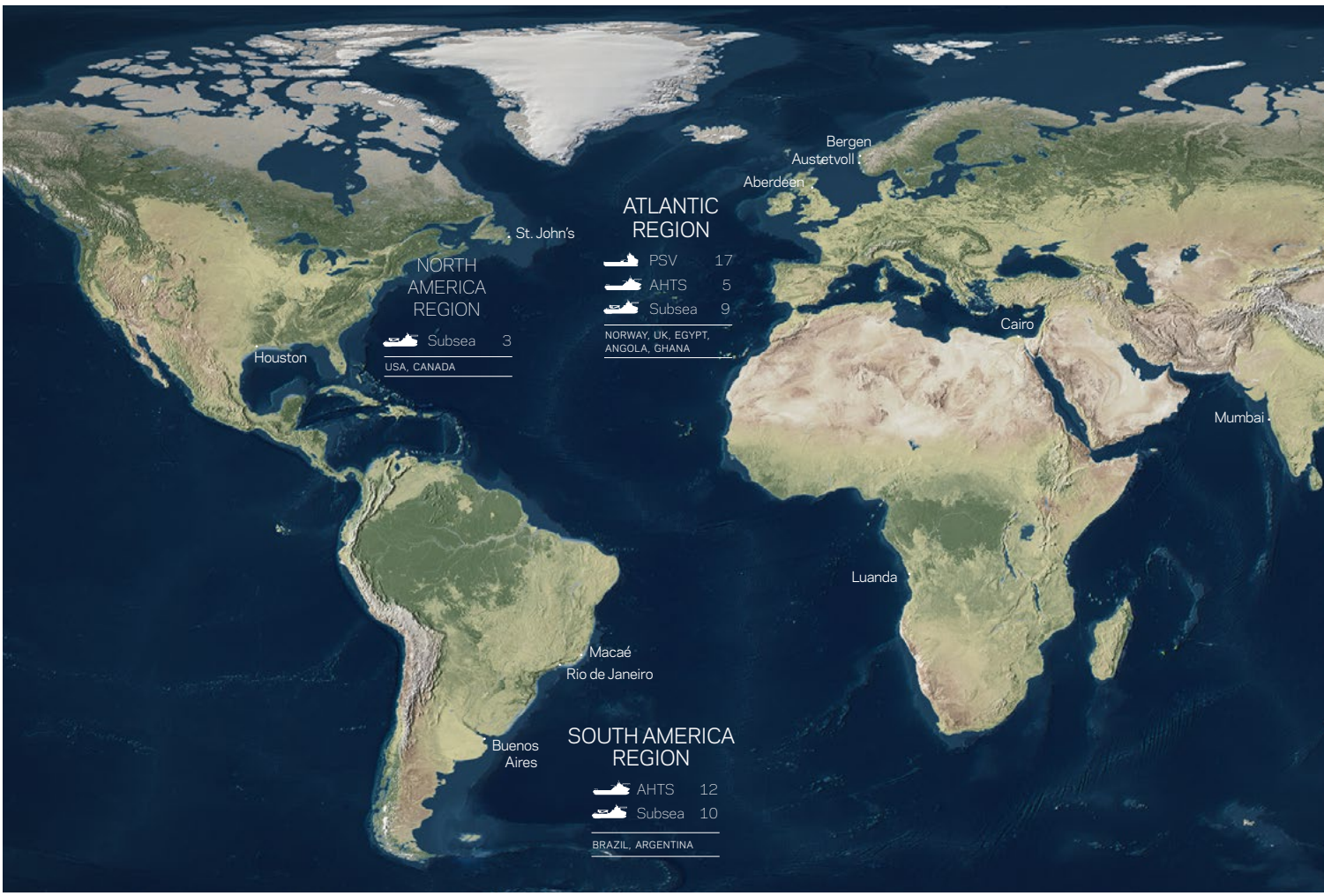
Founded in Austevoll in 1981, DOF was established to provide a modern fleet of offshore support vessels on long-term contracts in the North Sea. More than three decades since our founding, Austevoll remains our head office with regional offices and vessels in major oil and gas regions around the globe.

DOF ASA is the holding company for DOF Subsea AS, Norskan AS and DOF Management AS.

DOF Subsea AS was established in 2005. It has grown to become a leading provider of subsea services with an established capability in all the major oil and gas production areas around the world. The company provides a diversified range of services through three key business lines: vessel chartering, subsea projects and engineering.

"As a public listed company on OSEBX, all market related information can be found in the Investor Relations pages of the DOF Group website: http://www.dof.no."

Geographic Coverage - **Figure 2.1**



DOF Management AS provides ship management for the fleet in the DOF ASA Group. The company has a crew of highly skilled professionals, both onshore and offshore, to perform the tasks of ship-management, ship-operation and the services delivered to the customer.

Norskan AS represents the DOF Group's marine activity in Brazil. The future potential of this region and the market was identified and the company was established in 2001 to capitalise on this opportunity. Today Norskan and DOF Subsea represent some of the largest international companies in its segments in Brazil. Norskan owns and operates one of the largest and most diversified fleets of state-of-the-art Brazilian-flagged vessels.



The fleet is considered to be the most technologically advanced in the Brazilian offshore industry.

Geographical Coverage GRI-G4-6

During the last decade the company has invested in key regions such as the Atlantic, South America, North America and Asia Pacific whilst continuing to grow in the North Sea and West Africa. DOF's main countries of operation are Norway, UK, Brazil, Argentina, Angola, Australia, Singapore, USA and Canada.

DOF is positioned as a solid player in the industry with our investment in a state-of-the-art fleet, combined with a strong safety culture and a flexible business model. Leveraging the long-term charter business with the subsea project business, DOF has the flexibility to maximise its market position in each region of operation.

ATLANTIC REGION - The DOF Group operation activities in the Atlantic region consist of both vessel operations and subsea projects, done via DOF Management (Marine Management) and DOF Subsea Atlantic (Subsea Projects). Companies in the region:

- DOF Management AS
- DOF ASA
- DOF Management Pte.
- DOF UK Ltd
- DOF SJØ AS
- DOF OSM
- DOF Subsea Holding AS
- DOF Subsea Norway AS
- SEMAR AS
- DOF Subsea UK Ltd
- DOF Subsea S& P UK Ltd
- CSL UK Ltd
- CSL Norge AS
- DOF Subsea Angola Lda.
- DOF Subsea Ghana

SOUTH AMERICA REGION - The DOF Group operational activities in the South America region consist of both vessel operations and subsea projects, done via Norskan Offshore and DOF Management (Marine Management), and DOF Subsea Brasil (Subsea Projects).

"DOF's main countries of operation are Norway, UK, Brazil, Argentina, Angola, Australia, Singapore, USA and Canada."

"Leveraging the long-term charter business with the subsea project business, DOF has the flexibility to maximise its market position in each region of operation."

Companies in the region:
- DOF Management Argentina
- DOF Subsea Brasil Servicos Ltda
- Norskan Offshore SA

ASIA PACIFIC REGION - The DOF Group operation activities in the Asia and Pacific region consist of both vessel operations and subsea projects, done via DOF Management (Marine Management) and DOF Subsea (Subsea Projects).

Companies in the region:
- DOF Management PTY Ltd.
- DOF Subsea Australian Pty
- DOF Subsea Asia Pacific Pte. Ltd

NORTH AMERICA REGION - The DOF Group operation activities in the North America region consist of subsea projects via DOF Subsea mainly in the Gulf of Mexico (GOM).

Companies in the region:
- DOF Subsea US Inc
- DOF Subsea S&P US LLP
- DOF Subsea Canada Corp
- DOF Management Canada

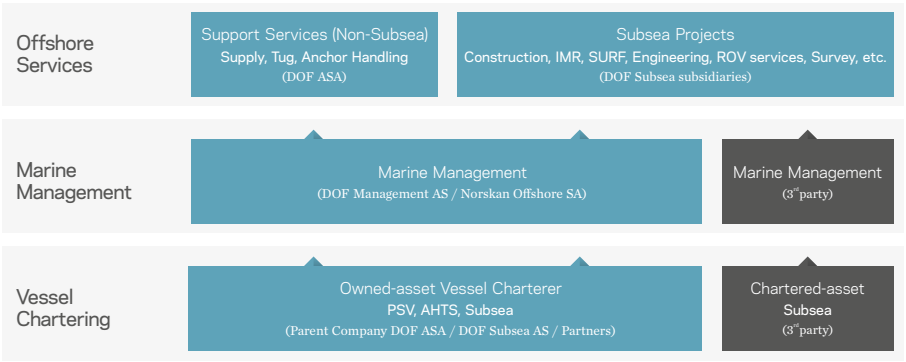
Our Business Sectors

GRI-G4-4 | GRI-G4-8

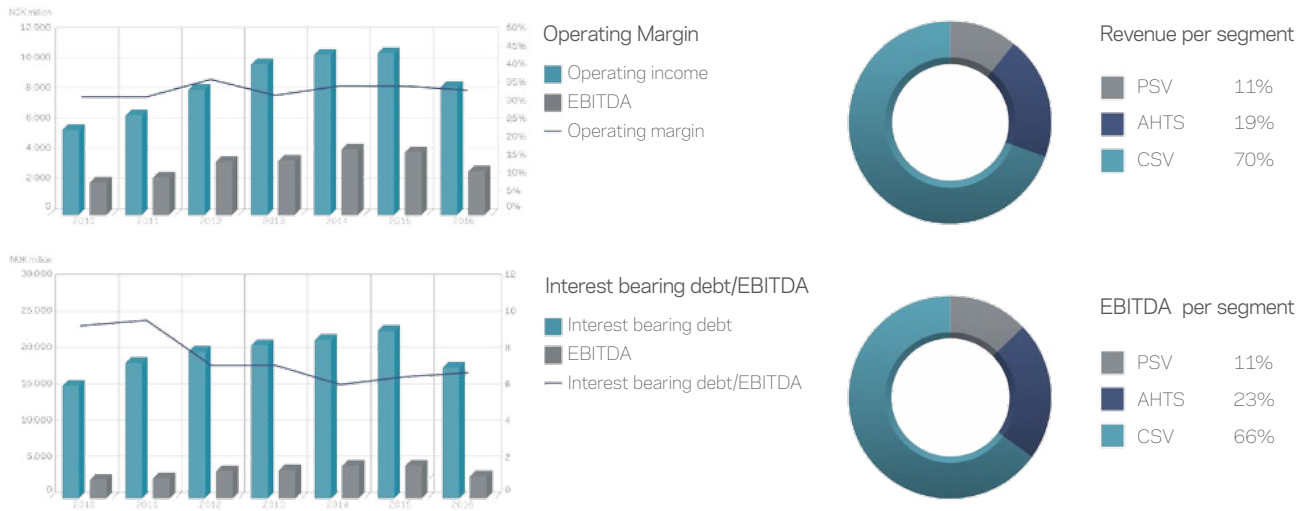
The Group operates in three segments of the offshore services market, strategically defined by activities and vessel types: Subsea (Subsea vessels and Subsea engineering services), AHTS (Anchor Handling Tug Supply) vessels and PSV (Platform Supply Vessels).

Our expert staff includes marine crew, subsea operators & technicians, onshore administrators and management.

Business Sectors - **Figure 2.2**



Economic Performance - **Figure 2.3**



Economic Performance GRI-G4-9

For more detailed information, please refer to DOF ASA Annual Report 2016, available at www.dof.no.

Geographic Coverage - Figure 2.1
Business Sectors - Figure 2.2
Economic Performance - Figure 2.3
Economic Performance - Figure 2.4

Economic Performance - **Figure 2.4**

Amounts in NOK million		Management reporting		Financial reporting	
From the Comprehensive Income		**2016**	**2015**	**2016**	**2015**
Operating income		8 569	10 809	8 134	10 291
Operating expenses		-5 583	-7 090	-5 512	-6 929
Operating profit/(loss) before depreciation and impairment - EBITDA		**2 986**	**3 719**	**2 621**	**3 362**
Depreciation		-1 142	-1 119	-1 063	-1 041
Impairment		-1 932	-531	-1 762	-500
Operating profit/(loss) - EBIT		**-89**	**2 070**	**-203**	**1 822**
Net finance costs		-557	-1 589	-427	-1 471
Unrealised gain/(loss) on currency		800	-925	742	-869
Net changes in gain/loss on derivatives		249	109	248	108
Net financial items		**492**	**-2 405**	**562**	**-2 232**
Profit/(loss) before taxes		**403**	**-335**	**359**	**-410**
Tax expenses (income)		-202	11	-158	87
Profit/(loss) for the year		**201**	**-323**	**201**	**-323**
Non-controlling interests		141	120	141	120
From the Financial Position					
Vessels and other non-current assets		29 511	28 381	25 440	26 383
Current assets		4 614	5 469	4 290	5 234
Total assets		**34 125**	**33 850**	**29 731**	**31 617**
Interest free debt		2 167	2 728	1 898	2 624
Net financing of the entity		**31 958**	**31 122**	**27 833**	**28 993**
Interest bearing debt		23 812	25 950	19 686	23 821
Equity		**8 146**	**5 172**	**8 146**	**5 172**
Key Figures					
Net cash flow	1)	2 428	2 130	2 194	1 892
Current ratio	2)	1.20	1.02	1.27	1.02
Equity ratio	3)	24 %	15 %	27 %	16 %
Capex	4)	4 171	4 581	1 660	3 901
Operating margin	5)	35 %	34 %	32 %	33 %
Return on equity ratio	6)	2 %	-6 %	2 %	-6 %
Earnings per share (NOK)	7)	0.09	-4.00	0.09	-4.00
Diluted earnings per share (NOK)	8)	0.07	-3.99	0.07	-3.99
Average number of shares		658 878 610	111 051 348	658 878 610	111 051 348
Outstanding number of shares		1 501 321 200	111 051 348	1 501 321 200	111 051 348
Potencial average number of shares		882 981 813	111 051 348	882 981 813	111 051 348
Potencial total number of shares		1 994 561 682	111 051 348	1 994 561 682	111 051 348

1) Profit/loss before taxes + depreciation and write downs +/- unrealised gain/loss on currency +/- net changes in gain/loss on derivatives
2) Current assets/Current liabilities
3) Equity/Total assets
4) Capex, see note 14
5) Operating result before depreciation and impairment loss/Operating income
6) Profit for the year/Booked equity
7) Majority share of profit for the year/Average number of shares. See note 12
8) Majority share of profit for the year/Potential average number of shares. See note 12

Governance Structure GRI-G4-34

Balancing environmental, social and economic performance has been integrated into our Business Management System (BMS) and the Group policies. It is a prerequisite for all.

DOF ASA ("DOF" or the "Company"), is the parent company in DOF's group of companies ("The Group"). It is established and registered in Norway and subject to Norwegian law, hereunder corporate and other laws and regulations.

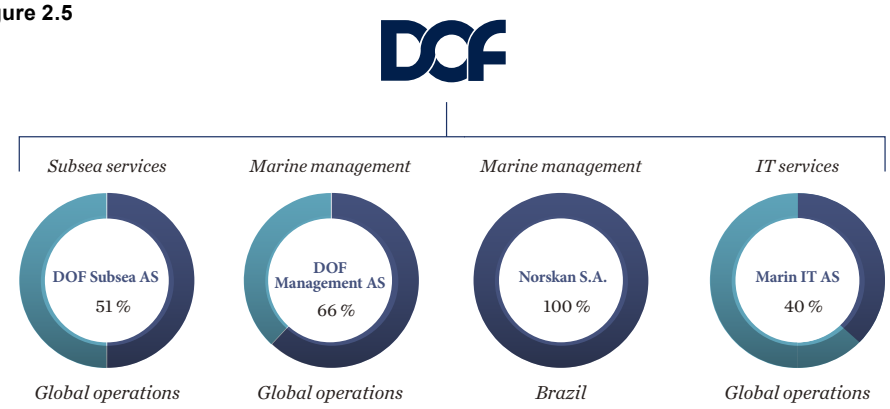
As a Norwegian public limited company listed on the Oslo Stock Exchange, the Company is subject to corporate governance regulations contained in the Public Limited Companies Act 1997 (asal.), the Securities Trading Act 2007 (vhpl.), the Stock Exchange Act with regulations (børsreg.) and other applicable legislation and regulations, including the NUES recommendations.

DOF ASA is a part of the LACO Group of companies which operates on both the off-shore shipping activities and fishing industry. Via Laco AS, the Møgster family have indirect control of 99.53% of the shares in Møgster Offshore AS, the main shareholder of DOF ASA with control of 51.2% of the share capital.

DOF Subsea Holding AS is a private limited company incorporated in Norway where the minority owner First Reserve Corporation owns the remaining 49%. The Company has a shareholders' agreement with First Reserve Corporation regarding the ownership in DOF Subsea Holding AS. Distribution of dividends from DOF Subsea Holding AS is contingent upon consensus between DOF ASA and First Reserve as a minority shareholder.

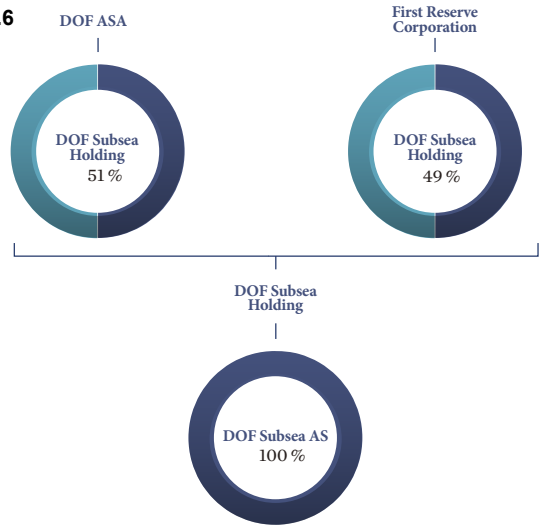
"Balancing environmental, social and economic performance has been integrated into our Business Management System (BMS) and the Group policies. It is a prerequisite for all."

Ownership structure - **Figure 2.5**



DOF ASA ("DOF"), is the parent company in DOF's group of companies.

DOF Subsea ownership structure - **Figure 2.6**



Management of and control over the Company is divided between the shareholders, represented through the General Meeting of the shareholders, the Board of Directors and the Managing Director (CEO) in accordance with applicable legislation. The Company has an external and independent auditor.

The Board of Directors observes and ensures that the Company implements sound Corporate Governance. It is the Board of Directors which is ultimately responsible for decision-making on economic, environmental and social impacts. The Board of Directors is obliged to provide a report on the Company's Corporate Governance in the Directors' report or in a document that is referred to in the Directors' report. The report on the Company's Corporate Governance must cover sectional items of the Corporate Governance Code of Practice and provide an explanation of the reason for any deviation and what alternative solution it has selected. The Group has drawn up a separate policy for Corporate Governance, and the Board of Directors has decided to follow the Norwegian Recommendation for Corporate Governance without reservation.

Supply Chain GRI-G4-12

The DOF CEO, supported by an executive management team are 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.

DOF seeks to ensure effective and purposeful implementation of the supply chain activities towards the promotion of a sustainable business for the benefit of the company and its partners.

All activities undertaken within the various supply chain functions shall 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.

The purpose of Procurement Management is to ensure that all procurement activities conducted by DOF are performed in a standardised and controlled manner consistent with approved Business System Management policies, procedures and in accordance with contractual obligations and client requirements and expectations. The procurement of goods and services shall be 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.

Successful procurement practices will result in assured continuous and timely and compliant supply of goods and services from vendors and subcontractors to support DOF's corporate and operational requirements, whilst correspondingly reducing risks associated with the overall procurement activities.

The Procurement Management process will operate 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 support all DOF entities and projects.

All potential vendors to DOF are assessed on a number of criteria by means of a Vendor Evaluation Questionnaire and an assessment

"It is the Board of Directors which is ultimately responsible for decision-making on economic, environmental and social impacts."

"The Group has drawn up a separate policy for Corporate Governance, and the Board of Directors has decided to follow the Norwegian Recommendation for Corporate Governance without reservation."

process, in which a key part is the requirement to provide DOF with details of their own Anti-Bribery and Corruption (ABC) policy. If the vendor does not have an ABC policy in place, they are required to agree to operate in accordance with the DOF Code of Business Conduct – Business Integrity & Ethics requirements and obligations. A refusal to comply with the DOF Code of Business Conduct requirements will automatically terminate the assessment process.

Similarly, all suppliers to DOF shall be required to provide DOF with details of their current Transparency Statement, or if none exists, that they agree to operate in accordance with the DOF Code of Business Conduct – Business Integrity and Ethics and / or DOF contractual terms and conditions. Failure to comply with these requirements may result in termination of their services.

In accordance with the requirements of the Modern Slavery Act 2015, (UK), DOF has acknowledged that it will issue a Transparency Statement annually. The statements will confirm what steps the organisation has taken in the previous year to ensure that slavery and human trafficking is not taking place in any part of its business or in any part of its supply chain.

The DOF Group maintains a global supply chain, which in 2016 consisted of more than 4,700 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 2016 was comprised by bunkering, lay spread equipment, crew agency services, specialised equipment hire, employee travels, vessel hire among others services.

DOF is currently developing the supply chain management system with the intention to report on relevant GRI indicators in the near future.

In 2016 the regional split (see figure 2.7) for suppliers was as follows: Asia Pacific 17%, Atlantic 47%, North America 14% and South America 22%.

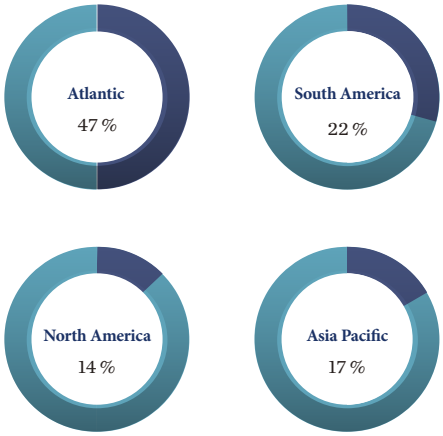
Our Supply Chain Management is further detailed on page 34 under the Integrity chapter.

"All potential vendors to DOF are assessed on a number of criteria by means of a Vendor Evaluation Questionnaire and an assessment process."

"In accordance with the requirements of the Modern Slavery Act 2015, (UK), DOF has acknowledged that it will issue a Transparency Statement annually."

Number of suppliers per region - Figure 2.7

REGION	TOTAL NUMBER OF SUPPLIERS
Asia Pacific	816
Atlantic	2 263
North America	650
South America	1 034
Total	**4 763**



DOF values & priorities

DOF operates a global and complex business with several key stakeholders, and our organisation is challenged on a daily basis. This calls for the need for awareness of our values and that we all prioritise thereafter. For the Group, the GRI G4 framework provides a systematic approach to this challenge, and ensures vital drivers of sustainable operations are factored into decision making and provides stakeholders with a view of organisational performance in more than financial terms alone.

The DOF Group Values GRI-G4-56

See figure 3.1.

Identifying material aspects and conducting a materiality assessment GRI-G4-25 | GRI-G4-18

To deliver more sustainable operations, DOF must recognise and respond to the most significant aspects of its activities, also known as material aspects.

In order to define the most relevant aspects for DOF, an internal process was undertaken. By analysing internal reports, studies and customers' surveys DOF's most relevant economic, social and environmental topics were identified.

The result of this process was a comprehensive list of material aspects for the organisation as well as identification of its key stakeholders.

Material issues and key stakeholders GRI-G4-24

The Group's key stakeholders has since 2015 been identified as customers, employees, investors, suppliers and local communities. In various strategic sessions, the list of stakeholders has been confirmed.

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.

To respond to these aspects reliable data is gathered, measured and monitored. The results allow DOF to set targets, measure performance and continuously identify areas for improvement.

Stakeholder's engagement GRI-G4-26

Stakeholder engagement is a continuous and on-going process. The engagement has been done through workshop sessions with each group of stakeholders as well as in dialogue using both existing channels and meeting places (e.g. investor meetings, engagement surveys, processes with suppliers and customers) as well as considering other opportunities where relevant (advisory panels, public meetings, multi-stakeholder forums, focus groups, surveys, partnerships, etc.).

The reasons for choosing these particular stakeholders were determined through various analyses and consultations;

EMPLOYEES - DOF has close to 4,100 employees. They are the backbone of DOF and a natural choice as a key stakeholder. Engagement with employees has been done through studies of feedback from numerous employee committees, working environment surveys and separate dialogues with individuals.

CLIENTS - DOF is handling numerous clients globally. Some key clients are global and others only operate in local or regional areas. This makes global engagement with all stakeholders challenging. The analysis of their expectations towards DOF are based upon 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 a large number of shareholders. In the assessment identifying key stakeholders, it was determined that the

Our Values - **Figure 3.1**

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.

- 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 minimise our environmental impact.

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.

SAFE

Above all we are SAFE.

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

most feasible way to represent the investors are through members of the Board.

SUPPLIERS - DOF used over 4,700 different suppliers in 2016. It is not practical to arrange one to one dialogue with each supplier regarding their expectations, neither to engage them all. However, suppliers to DOF are vital and are regarded as a key stakeholder. To compensate for in-depth dialogue with all of them, studies and dialogue have been done with key suppliers within global logistics, advanced subsea equipment providers, classification societies and shipbuilding yards.

LOCAL COMMUNITIES - DOF 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 puts expectations toward the Company in the sense of contributing to the local community. It has not been practical to maintain a dialogue with all local communities we operate in, i.e.:

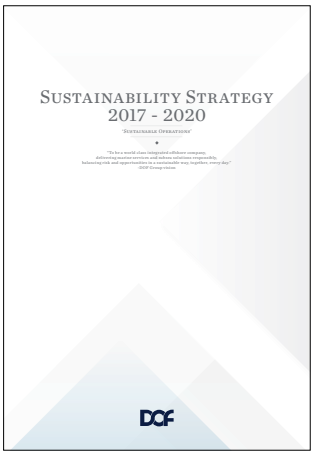
- In Rio de Janeiro there is a main office downtown for 180 of our onshore employees. The local community in Rio consists of approx. 6.5 million people.
- At Storebø, where the global headquarters for DOF is situated, the office has around 140 employees. The local community is approx. 5000 people.
- In Bergen, Norway, there are approximately 120 people employed by DOF. The city as such has 275.000 inhabitants.

Engagement with local communities has been performed by conversations with local politicians, churches, universities and technical museum to identify their expectations towards DOF.

Validation analysis of the materiality matrix

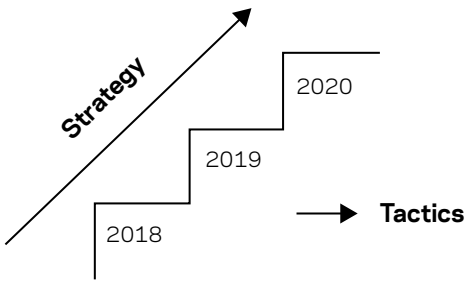
With the support from DNV GL, a validation analysis of DOF's materiality matrix (see figure in "Aspects & Boundaries" appendix ii) was conducted using a standardised 'Materiality Tool' which consisted of predefined external and internal criteria that every topic was measured against. These included a 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 in the value chain they can have impact (whether positive or negative).

Sustainability Strategy 2017-2020 - **Figure 3.3**



"Engagement with local communities has been performed by conversations with local politicians, churches, universities and technical museum to identify their expectations towards DOF."

Strategy & Tactics - **Figure 3.2**



Every year a global Improvement Program is developed, based on the strategy as well as input from regional management reviews from the entire DOF Group.

The yearly Programs aim to fulfil the strategy within the next 3 years. The plan is to be regarded as the tactics of the year.

The overall objective is to achieve the highest standards at all of our worksites

DOF Group Values and material aspects - **Figure 3.4**

DOF GROUP VALUE	MATERIAL ASPECT	AMBITIONS AND GOALS	STRATEGY AREA
SAFE	Health, Safety and Working environment Emergency management Safe operations	The DOF Group's overall ambition is to be an incident free organization	Health, Safety and Working Environment - Common Safety Culture - Living Safety the RITE way - DOF lifesaving rules - Strategic Partnership management Emergency Management Safe Operations
Respect	Our people Energy Efficiency & Climate Impact Spill avoidance to external environment	To promote a workplace where all are treated fairly, accepted equally, without any exclusion within a harassment-free workplace. Ensure our activities have minimal impact upon the environment.	Our People Corporate Social Responsibility - Local Communities - Cadetships/Traineeships - Supply Chain Energy efficiency and climate impact - Environmental Awareness - Spill avoidance to external environment - Energy efficiency and climate impact - Innovation and climate resilience
Integrity	Business Integrity, ethics and payment transparency Risk and Opportunity Management	The DOF Group has a zero tolerance with regards to breach of our business integrity and ethic policy	Business Integrity, ethics and payment transparency - Code of conduct Risk and Opportunity management Modern way of working Supply Chain Management
Teamwork	Labour rights and employee satisfaction	The key to our success remains unchanged – our people. DOF follows a practice that conforms to international standards for human rights, and Groups operations are managed in accordance with fundamental labour standards.	Labour & Human Rights, Anti-Slavery and trafficking Employee Satisfaction Our People - Recruitment, Retention & Training - Performance Management Global Competence – the way forward
Excellence	Product reliability and customer service	DOF have a mind-set towards zero customer complaints and downtime of our operations. To provide the best service to our customers with no delays	Continuous Improvement - Business Management System - Quality Assurance system - Change management processes - Experience Transfer - Subcontractor Auditing - Key supplier business management systems Product Reliability Quality Control, Customer Satisfaction


TOLL



Safe the RITE way©

DOF is a value-driven organisation. Our values, "Respect", "Integrity", "Teamwork", "Excellence" (RITE) – and "Above all, we are SAFE", were developed by our employees to ensure consistent focus and emphasis towards an attitude of success. The way these values come together emphasise that nothing within DOF Group is more important than to be safe.

PHOTO: Onboard Skandi Constructor a group of contractors complete their induction and show their Safety Checklist booklets.

Safe the RITE way

DOF is a value-driven organisation. Our values, "Respect", "Integrity", "Teamwork", "Excellence" (RITE) – and "Above all, we are SAFE", were developed by our employees to ensure consistent focus and emphasis towards an attitude of success. The way these values come together emphasise that nothing within DOF Group is more important than to be safe.

'Safe the RITE way' is the guiding philosophy by which the DOF Group approaches safe and, therefore, 'Sustainable Operations'. 'Safe the RITE way' is the umbrella for our safety program which brings together three vital elements:

- The safety systems in place to manage inherent risks: rules, procedures and processes to ensure work is conducted in structured and safe ways.
- A behavioural based tool that combines the other values (Respect, Integrity, Teamwork and Excellence) with internationally recognised safe behaviours which, when followed, are proven to keep people safe. It is the interaction between the core values and the recognised safe behaviours that builds a strong safety culture and compliance to rules and processes throughout the organisation.
- To communicate that nothing in the DOF Group is more important than Safety.

Safety and 'Safe the RITE way' are means to communicate and reinforce safe behaviour and safety system compliance, and has a singular place in our sustainability strategy. If we are not safe we cannot be sustainable.

Safe

Safety for our employees on all vessels and worksites remains priority number one.

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."

WHY IS SAFETY SIGNIFICANT TO DOF:

Safety has particular significance in our industry and is paramount to the DOF Group's on-going growth, success and sustainability. In order to be recognized by our stakeholders as a dependable, reliable and competent partner we must ensure we are intrinsically safe in all our endeavours; whether conducted in corporate offices, on board our vessels, during operations or any other engagements.

Ensuring we are intrinsically safe in all our endeavours is also essential in attracting; recruiting and retaining the talented individuals we need to support our operations.

Only by establishing and maintaining a robust safety culture will DOF ensure that all of its employees and our associate partners will each day, go home safely and unharmed.

WHAT ARE WE DOING ABOUT IT:

As Safety is a key driver for the business, 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 forefront of mind. In the future, our efforts will also depend on the implementation of an integrated set of communication and collaboration tools, collectively known as the DOF 'modern toolbox' as well as across border 'teamwork'.

Living SAFE the RITE way

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.

"Safety has particular significance in our industry and is paramount to the DOF Group's on-going growth, success and sustainability."

"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." figure 4.1). 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.

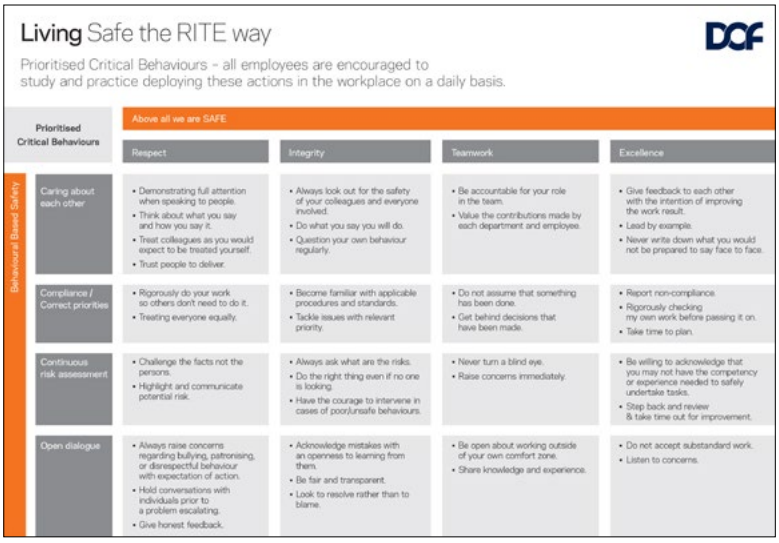
Health, Safety & Working Environment

The DOF Health, Safety and Working Environment Management System defines the organisation's systematic approach to the management of HSE matters within all company operations. The system defines the strategies, methods and responsibilities for effectively managing HSE conditions and practices and outlines the relevant processes and procedures to support all DOF activities.

The objectives of the HSE system are:

- To maintain a culture whereby HSE expectations are embedded into all company projects and operations;
- To describe the system for the management of hazards, risks and working environmental aspects across all DOF operations
- To define the performance standards for managing HSE matters, which are to be assessed and continually improved by a program of performance monitoring, audit and review
- To identify areas for HSE continuous improvement; and
- To achieve the company's vision in ensuring that all operations can be undertaken within an incident and injury free environment.

Living Safe the RITE way - **Figure 4.1**



HSE Key Performance Indicator targets (2016) - **Figure 4.2**

HSE INPUT / OUTPUTS	GLOBAL TARGETS 2016 METRICS
Number of LTI's	0
Lost Time Injury Frequency Rate (LTIFR)	< 0.3 / 1 000 000 man-hours
Total Recordable Case Frequency Rate (TRCF = LTI, RWC, MTC)	< 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

DOF has a vision to be an incident free organisation. However, in the reality of the operational environment we are facing this vision is supported by realistic and measurable KPIs .

IMS Overview

The DOF Integrated Management System (IMS) operates in line with OHSAS 18001:2007, ISO 14001:2015, and ISO 9001:2015. The IMS is a combined product of the Business Management System and Safety Management System.

ISO: 14001:2015 provides the Integrated Management System with the basic elements required to achieve continuous development in Group environmental performance. The basic elements of ISO 14001:2015 have been integrated into the management system in a way that ensures Group activities remain compliant to the accompanying ISO 9001:2015 and OHSAS 18001:2007 accreditation certificates and client requirements. The business management system also takes into account industry bodies, guidelines, codes of practice and best practice techniques at international, regional and local levels.

Over the last few years, DOF have undertaken an immense training programme which has effectively trained its entire workforce, from new graduates to experienced captains to understand and recognise the importance our value have on the daily and future success of the organisation. This level of intensive training has been recognised within our industry and by our clients as best practice and our reputation will benefit from the commitment to be the partner of choice in the industry.

By aligning ourselves and our workforce with the foundation values of Respect, Integrity, Teamwork and Excellence we are developing a more education and knowledgeable workforce whose everyday behaviour will promote the culture of safety both within DOF's operating spheres, and outside of the organisation in the individuals own life-style and environment.

Overview of activities performed in 2016

The list below gives an overview of some of the activities performed in 2016;

- Offshore intervention: Guidelines and infrastructure put in place. Several initiatives have been executed during the year. I.E.; A captain has been visiting various vessels with the objective of increasing safety awareness with emphasis on work on the aft deck. Safety coaches have been out sailing for weeks with a focus on risk assessments and risk perception of the crews;
- Vessel visits: An improved vessel visit regime has been implemented in the group;
- HSE booklet: A new HSE booklet has been successfully delivered. The booklet has been issued in five different languages;
- Vessel induction video: our vessel induction program has been updated. The vessel induction video was finalized and distributed to all vessels and has received very positive feedback. The video is available on YouTube as well as our company intranet, www.dof.no and accessible on USB sticks for offshore distribution.
- E-learning modules: The MOC program was delivered successfully. E-learn modules are now available on new platform onshore with over 100 different modules available. Offshore has access to 14 key modules available on a USB stick.
- HSE leadership training: Based upon our workbook, a condensed leadership course has been developed. This is a one-day course. In addition, leadership training has been performed by external provider in DOF Management.
- Behavioural based safety observations: New card has been developed and tested. Adjustment of management system training material are being updated accordingly

In addition, the onshore organization has been reorganised to clarify responsibilities and accountability for safety, with one leader. The captains on our vessels report directly to dedicated Operations Managers with a clear mandate for performance within Safety, organizational, and technical matters. This change has made it easier for our captains to fulfil their role within the legal obligation for safety of their ship.

"Over the last few years, DOF have undertaken an immense training programme which has effectively trained its entire workforce, from new graduates to experienced captains to understand and recognise the importance our value have on the daily and future success of the organisation."

Occupational Health and Safety Indicators - **Figure 4.3**

OHS INPUTS / OUTPUTS	UNIT OF MEASUREMENT	2016 Target	2016	2015	2014
Fatalities	Number	0	0	2	0
Male			0	2	0
Female			0	0	0
Atlantic			0	1	0
North America			0	0	0
South America			0	0	0
Asia Pacific			0	1	0
Number of Lost Time Incidents (LTI)	Number	0	8	14	7.00
Lost Time Injury Frequency Rate	LTIs per million man-hour	< 0.3	0.79	14	7.00
Male			0.9	1.15	0.68
Female			0	0.69	0.00
Atlantic			1.4	1.95	0.85
North America			0	0.00	0.00
South America			0.27	0.00	0.28
Asia Pacific			0.61	1.62	0.69
Total Recordable Case Frequency Rate	TRC per million man-hour	< 1.1	2.28	1.96	2.31
Male			2.58	2.13	2.62
Female			0	0.69	0.00
Atlantic			3.98	2.84	2.22
North America			0	3.98	2.53
South America			1.09	0.22	1.95
Asia Pacific			1.22	2.70	3.46
First Aid Cases	Number		94	111	136
First Aid Case Frequency Rate	FACs per million man-hour	< 7.5	9.3	8.71	11.64
Safety Observation Rate	SOB per 200.000 man-hour	> 450	495	438.2	452.50
Lost Day Rate	% lost days of scheduled days		0.02%	0.03%	
Male			0.02%	0.03%	
Female			0.00%	0.03%	
Atlantic			0.02%	0.06%	
North America			0.00%	0.00%	
South America			0.03%	0.00%	
Asia Pacific			0.00%	0.05%	
Absentee rate	% absent days of scheduled days		2.13%	1.20%	0.00
Male			2.08%	0.98%	2.22
Female			2.52%	2.86%	2.53
Atlantic			4.11%	1.50%	2.31
North America			1.15%	0.36%	2.62
South America			0.42%	1.03%	0.00
Asia Pacific			0.92%	0.93%	2.22
Occupational Disease Rate	Occupational diseases per million man-hour		0.30	0	0.43
Male			0.34	0	0.48
Female			0.00	0	0.00
Atlantic			0.23	0	0.68
North America			1.86	0	0.00
South America			0.00	0	0.28
Asia Pacific			0.61	0	0.00

SAFE THE RITE WAY

WHAT RESULTS HAVE DOF ACHIEVED:

Type of injury and rates of injury
GRI-G4-LA6

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.

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 numbers reported are:
- Number of fatalities
- Number of LTI (Lost Time Incident) and LTI frequency per million man-hours
- Total Recordable Case Frequency Rate (TRFC) - equal to Injury Rate (IR)
- Total Recordable Case is the sum of LTIs, RWC (Restricted Workday Case) and MTC (Medical Treatment Case)
- TRFC is the Total Recordable frequency per million man-hours
- Number of first aid cases

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 2016 the objective was to be below 0.3 LTIs per million man-hours. At the end of the year we reported 0.8 LTIs per million man-hours for the group as a whole. The subsea division has by the end of the year been operating without any lost time injury for more than 20 months.

The total recordable frequency (TRFC) for the DOF Group was 2.3 in 2016. 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 2015 was 2.17.

Number of first aid cases for the group has for 2016 been 9.3 per million man-hours.

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 495 reports per 200.000 man-hours. Comparing with the IMCA figure, which excludes positive observations, DOF had 375 safety observations per 200,000 man-hours in 2016, while the equivalent IMCA figure for 2015 was 345.

In 2016, there were two injury cases recorded related to independent contractors working on-site where DOF was liable for the general safety of the working environment. Both injuries have 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 independent contractors. However, efforts will be done during 2017 to see if this can be captured in a beneficial way.

Health and safety topics covered in formal agreements with trade unions
GRI-G4-LA8

In most locations where the DOF Group operates, trade union agreements contain provisions that address the health and safety of our employees.

100% - All our offshore workers are covered by the MLC 2006.

ASIA PACIFIC - In Singapore, health and safety provisions are regulated by governmental agencies while in Australia, trade union agreements have provisions about those topics.

ATLANTIC - In Norway trade union agreements also comprise topics related to health and safety committees, Protective Clothing (PPE), Minimum rest periods (within work hours & rosters); Training and medical certification; and workers compensation. In UK those issues are controlled by legislative agencies.

"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 495 reports per 200.000 man-hours."

SOUTH AMERICA - In Brazil, these agreements include, but are not limited to, the following topics: health and safety committees, Protective Clothing (PPE), Minimum rest periods (within work hours & rosters); Training and medical certification; Workers Compensation and safety legal topics.

NORTH AMERICA - In USA and Canada, Health and Safety provisions are regulated by governmental agencies in those locations.

Regarding serious disease training, e-learning modules covering Legionella and Malaria are available. Through International SOS an information portal regarding Zika virus is also available.

All employees travelling on business to risk areas are encouraged to review the area specific travel information site on our International SOS page. These sites provide information and advice on both health risks and personal safety risks.

Emergency management

Emergency Management protocols and systems are well developed with in the DOF Group; however, this is an area where training and readiness are crucial to the smooth management of any number of emergency situations 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 monthly '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 the Group to 'Stress Test' and improve where necessary. Organisational compliance is monitored by Key Performance Indicators.

An overview of incidents and exercises is given in figure 4.4.

WHAT ARE DOF'S FUTURE GOALS:

With regards to safety, we cannot stop, we will not stop. Safety awareness is an ever-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. As new personnel join DOF, we will continue to introduce them into our value-driven organisation and provide them with the necessary practical as well as theoretical training for them to understand the overall importance of ensuring that everything they do on behalf of DOF is aligned with all of our values and principles.

Also, as new issues within the industry arise, DOF will address them and develop the necessary mitigation tools to manage the situation, so that we are not at risk of harming or injuring our workforce, other stakeholders, or the community or the environment.

DOF's 2020 measures are:

- 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 the new ISO standards. Replacing current OHSAS 18001:2007.

Emergency Response incidents and exercises 2014-2016 - **Figure 4.4**

	2016	2015	2014
Incident	5	9	19
Exercise	100	61	88

Respect

For the environment and local community.

HOW DOF DEFINES RESPECT

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."

WHY IS RESPECT SIGNIFICANT TO DOF:

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

The Group is committed to ensuring the day-to-day offshore activities of subsea project and marine operations have minimal impact upon the environment.

WHAT ARE WE DOING ABOUT IT:

Respect is the first positive step in building relationships; this is especially true in the work environment. For this reason, all DOF employees are required to undergo value based training as part of their induction into DOF. DOF's values are also embedded into many other business and discipline related training materials. Respect is also the first value recognised in DOF's "Safe the RITE way" programme.

The Board of Directors has the responsibility for ensuring that the DOF Group is committed to minimising its impact upon the environment in line with the Polluters Pays Principle, Precautionary Principle and Duty of Care.

The DOF Group Environmental Impact Policy reflects corporate intentions, principles of actions and aspirations with respect to improving Group Environmental performance. The Environmental Impact Policy is the Group's highest level environmental document and frames the approach of the IMS in respect to managing our environmental interactions and setting strategic environmental objectives.

Energy Efficiency and Climate Impact

Defining and measuring environmental sustainability risks associated with business activities is an important activity for the DOF Group. Since 2010, the Group 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 G4 specific standard disclosures criteria for energy, emissions and compliance are closely aligned.

Our Environmental Management System (EMS) ensures that the Group effectively manages our operations and strives for continual improvement of our environmental performance. There have been no severe spills to the external environment recorded during the Group's history.

The Group 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 for the Group'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

GHG verification statement

DOF ASA received the GHG Verification Statement 06.04.2017.

The full certificate can be viewed in the Appendix.



GHG VERIFICATION STATEMENT
DOF ASA

"There have been no severe spills to the external environment recorded during the Group's history."

and aligned to the guidelines set out by the IMO marine environmental protection committee; SEEMP was implemented in 2012 for the entire Group's fleet to plan, implement and monitor measures required to maximise vessel efficiency.

Based on the experience from SEEMP, the Group will increase focus on competence building offshore to ensure efficient use of the technology implemented on board our vessels.

Through continued focus on technologically advanced vessels and an improved environmental culture on all levels of our organisation, we will achieve our objective of a reduction in CO2 emissions, through reduced fuel consumption.

Onboard vessels, fuel consumption is measured through an engine fuel pump recorder. Vessels are able to break down fuel consumption to different operational modes. In the offices, electricity use is provided by the electric companies.

NOX AND SOX - All DOF's vessels operate with Marine Gas Oil – MGO, which is an ultra-low sulphur fuel. This makes DOF compliant 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).

DOF have since 2007 had focus on reducing NOx emission to air. Main contributor is instalment of Selective Catalytic Reductions (SCR) systems which can reduce NOx emission with up to 90%. SCR is a mean of converting NOx with the aid of catalyst urea into N2 and Water. See Appendix ix.

Skandi Gamma can also operate with Liquefied natural gas (LNG), and Skandi Vega can benefit from the use of onshore power supply (OPS) which means that she can shut down the engines whilst moored and connect to shore side power to run all the functions on board.

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

For DOF, all these environmental friendly initiatives are also of great importance towards the achievement of its sustainability goals, above all, to have a reduction of 10% in fuel consumption within the next 3 - 5 years.

DOF's internal procedures concerning bunker and fuel testing ensure control of fuel supplies to its vessels with the main objective to ensure good quality and uncontaminated fuel supplies to the offshore installations in accordance with Charterer requirements. All the contracts between DOF Management and charterer specify the quality of the fuel as specified by ISO 8217, Bunker Fuel Standard.

INNOVATION & CLIMATE RESILIENCE - DOF Group is committed to conducting our global operations in compliance with best practice techniques and principles allowing demonstration in defining and measuring environmental sustainability risks.

Part of this commitment requires DOF to standardise its global approach to 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. Subsequently, control measures can be identified to ensure that our levels of exposure are acceptable for all stakeholders.

Effective risk management against climate change is fundamental to DOF Groups sustainability and commitment to ensuring that its activities shall have minimal impact on the environment.

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.

"Effective risk management against climate change is fundamental to DOF Groups sustainability and commitment to ensuring that its activities shall have minimal impact on the environment."

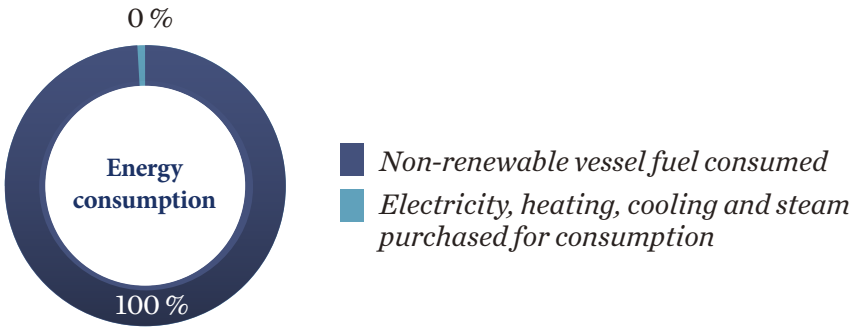
SAFE THE RITE WAY

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.

- The DOF Group'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 the Group'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.
- The Group joined other Norwegian ship-owners who founded AEPM in Brazil to provide opportunities for young adults to start maritime careers via ordinary seamen courses.
- Using this well-established and successful model the Group is extending career opportunities to Indigenous and Torres Strait Islander candidates in Australia and have partnered with the Maritime College in Tasmania to expand the program in the Asia Pacific region.
- 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.
- Our Supply Chain practices identify and supports Indigenous businesses participation.

"The DOF Group'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."

Energy consumption - **Figure 5.1**



Total energy consumption within the organisation in joules

ENERGY CONSUMPTION	GJ
Nonrenewable fuel consumed (MGO)	7 656 262
Renewable fuel consumed	0
Electricity, heating, cooling and steam purchased for consumption	15 824
Self-generated electricity, heating, cooling and steam	0
Electricity, heating, cooling and steam sold	0
Total energy consumption within the organisation	**7 672 086**

WHAT RESULTS HAVE DOF ACHIEVED:

Respect underpins the flexibility we have in our organisation, to the extent that we are able to call on specialist individuals who because of the common respect for each other, as individuals and as professionals in their specific field, have a common commitment for the team to succeed in meeting shared goals. Without mutual respect, the high level of coordination and cooperation required to address corporate or operational challenges is more difficult to achieve. 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.

Energy Consumption within the Organisation GRI-G4-EN3

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 5.1 indicates the organisation's energy consumption in joules. Electricity consumption per country is detailed in figure 5.2.

Managing Fuel Consumption and Emissions to Air (Carbon Dioxide Emissions) – Scope 1 and Scope 2 GRI-G4-EN15 | GRI-G4-EN16

Participating among 260 Nordic companies in the CDP, the Group achieved a score of 99 B in the reporting year 2014. This is a significant positive improvement on the previous score of 89 C reported in 2013.

In the reporting year 2015 DOF received a score of "B", with a score level of "Management". The "Management" score level indicates that DOF is among companies with "more advanced environmental stewardship". CDP no longer operates with a numerical scoring.

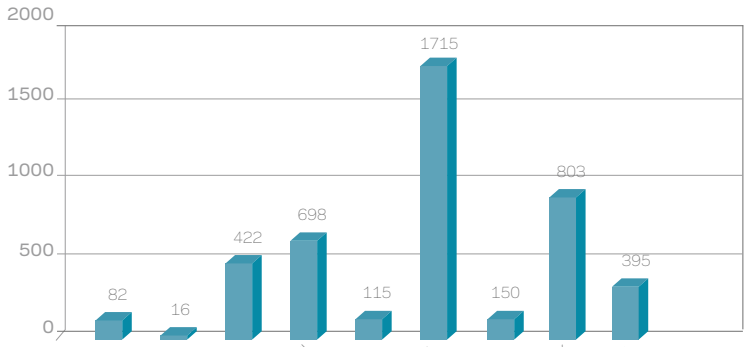
Our efforts toward achieving an improved score have increased our internal competence level and awareness on environmental issues. The Environmental Impact Policy sets out clear aspirations for ensuring that our operations have a minimal impact on the environment. This requires the DOF Group to calculate 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

"The 'Management' score level with CDP indicates that DOF is among companies with 'more advanced environmental stewardship'."

Electricity consumption per country - **Figure 5.2**

ELECTRICITY CONSUMPTION PER REGION	MWH
Angola	82
Argentina	16
Australia	422
Brazil	698
Canada	115
Norway	1715
Singapore	150
UK	803
USA	395
Total*	4396



third party vessels). The resulting CO_2 emissions are detailed in figure 5.3. 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, this has now been stabilised and the intensity reduction target are again improving towards the goal (reference given to figure 5.4).

Scope 2 data relates to electricity and heat consumption in buildings where DOF has offices or warehouses. Scope 2 accounts for 0.19% of DOF's total CO2 emissions. DOF Group 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 5.2). Within 2017, DOF will report location and market based emissions using the most recent factors.

Total number and volume of significant spills GRI-G4-EN24

DOF considers spills of hazardous materials to the external environment that are over 100 litres to be significant spills. The target is to have zero significant spills. In 2016, there were no spills reported that exceeded the 100 litre target.

From 2017 DOF will use the definition from IMCA SEL-010 which considers spills above 50 litres to be significant spills.

Compliance GRI-G4-EN29

In 2016, the DOF Group has not identified any non-compliance with environmental laws or regulations.

Innovation and Climate Resilience - Financial implications and other risks and opportunities for the organisation's activities due to climate change GRI-G4-EC2

A climate change risk and opportunity workshop was performed in March 2016 to set out the impact that climate change is having on the DOF Group's global operations. A new workshop was held in March 2017 to validate the risk assessment and make any necessary adjustments.

The Climate Risk and Opportunity analysis is available on our website: www.dof.no.

WHAT ARE DOF'S FUTURE GOALS:

To maintain our focus on promoting the overall corporate and personal benefits of endorsing and adopting all of DOF's core values, to guide the actions of all DOF employees in the execution of their duties for DOF, its clients and other stakeholders.

DOF group has an overall target to reduce fuel consumption in the fleet with 10% compared to operational days per vessel within a period of 3 to 5 years. The reason for having a target based on operational days is that DOF has a growth strategy. CO2, SOx and NOx are gases which are part of the exhaust from combustion engines, and reducing the fuel consumption will also reduce the emission of these gasses. In addition to several measures for fuel reduction DOF has invested in equipment to reduce NOx emission.

With regards to CO2 emissions, the target is to increase the amount of operational days with a relative reduction in CO2 emissions per day in operation. This aligns with DOF group growth strategy with increased vessel utilisation and increased fleet size. The aim is to reduce the emissions and fuel consumption by 10% from 2013 (base year) to 2018.*

DOF's 2020 measures are:

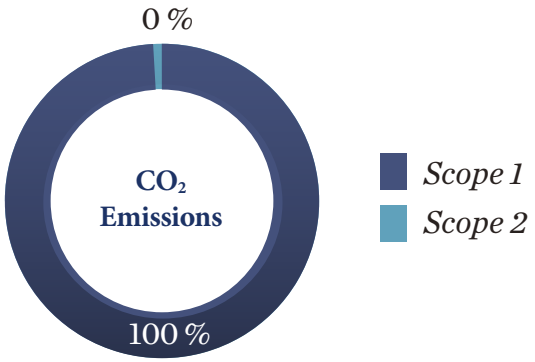
- The Group is an equal opportunity employer and does not tolerate any form of harassment within the workplace or local communities;
- No harassment or discrimination cases
- Within two years all companies within the DOF Group will operate in accordance within ISO 14001:2015 and ISO 50001- energy efficiency;
- CDP: The Group 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.

"The Group is an equal opportunity employer and does not tolerate any form of harassment within the workplace or local communities."

CO_2 Emissions - **Figure 5.3**

Scope 1	99.81%
Scope 2	0.19%

Direct greenhouse gas (GHG) emissions (Scope 1) and Energy indirect greenhouse gas (GHG) emissions (Scope 2)

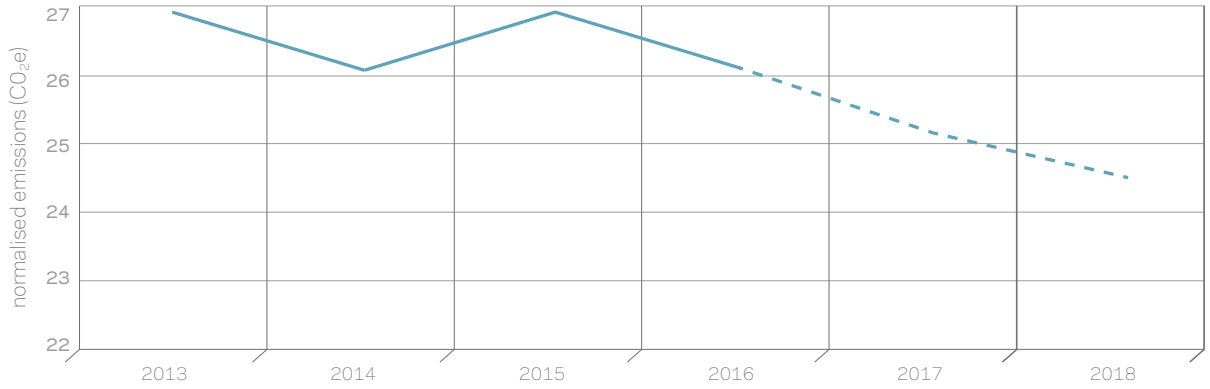


CO_2 EMISSIONS	UNIT OF MEASURE	2016	2015	2014
Scope 1	ton (CO_2e)	605 177	625 260.5	629 510.22
Scope 2	ton (CO_2e)	1159	844.8	1 533.57
Total *	**ton (CO_2e)**	**602 542**	**626 105.3**	**631 043.79**

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 numbers for 2010 were quite weak.
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_2 (IPCC Fourth Assessment Report (AR4 - 100 year).
5) CO_2e (CO_2 equivalent) includes all major greenhouse gases; carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_20)

* The table identifying factors can be found in the appendix, titled, "Conversion factors"

Intensity reduction targets - **Figure 5.4**



Intensity reduction targets - **Figure 5.5**

	YEAR	EMISSION PER OPERATIONAL DAYS	% REDUCTION
Prediction	2018	24.5	3
Prediction	2017	25.3	3
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 and predicted emission per operational day from 2013-2018. There has been an increase in fuel consumption for the reporting year. One of the main contributing factors is an increase in long transits between regions due to changes in market conditions. The final objective illustrated by the dotted line is a reduction of 12 % in 2018, which are within Group target for 10% reduction within the next 3-5 years.

Integrity

Integrity braces multiple aspects of DOF's business model, both from an internal and an external perspective. As one of the governing core values, DOF mean to establish integrity permanently throughout the company in order to ensure sound business practices and decisions are determined and executed in accordance with DOF's Code of Business Conduct guidelines promoting everyone to display professional competence, due-diligence, confidentiality and professional behaviour at all times and in everything they do on behalf of DOF.

HOW DOF DEFINES INTEGRITY:

According to the DOF values;
"Integrity is 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."

WHY IS INTEGRITY SIGNIFICANT TO DOF:

DOF believes that it's professional and competent 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 of our corporate and operational activities is paramount to establishing a sustainable organisation for the future. DOF are committed to establishing fair and honest relationships with all stakeholders to identify and manage all conditions and situations which could impact on and develop into potential reputation-based risks.

The Group strive to be as good a corporate citizen as possible in all regions where it has corporate presence, and also where it has project related operations. DOF actively promotes advanced involvement with all stakeholders to confirm all operations, processes and procedures are in accordance with the best practice requirements necessary to maintain and promote trust with its diverse stakeholders.

Repeat Business

In the present competitive business cycle, repeat business is a significant indicator that DOF is providing its existing client base with engineering and operational solutions and services which are technically and functionally aligned with their expectations and contractual obligations. A key component of this repeat business is the client's confidence in DOF and its professional staff to; plan, execute and deliver services and project with the highest level of competence and integrity expected within a demanding and complex industry.

Satisfied clients will have a greater level of confidence in DOF's and therefore will be more predisposed to consider DOF for future projects of a similar nature, or to expand on the range of services on offer from DOF.

WHAT ARE WE DOING ABOUT IT:

Everyone throughout all of the DOF entities shares the obligation and commitment to practising the highest standards of ethical business conduct and demonstrating integrity in all decisions that are made, and actions taken. However, in order to ensure that external providers to DOF are aligned with the values and policies which govern the organisation and its operations, DOF has embarked on a programme to evaluate existing and future suppliers to DOF to determine their suitability to not only meet DOF's requirements with respect to goods and services, but to access their willingness and commitment to align with DOF's governing policies and values. This preliminary pre-qualification stage will be the prerequisite requirement for all future suppliers to DOF.

"Integrity is 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."

Compliance to Law, Industry Standards and local regulations

Operating in multiple countries around the world challenges the DOF group to stay abreast of governmental regulations in 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 in every work function or activity. The legislation, standards, codes of practice and guidelines register provides a list of applicable requirements.

Each region where DOF operates 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. 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 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 by the HSEQ department in conjunction with legal advisory. When ensuring and verifying the compliance requirements, internal governmental 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 are aligned with complying to key sustainability criteria, including good working conditions. In 2016, 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 the DOF Group shall be recognised by a high ethical standard. The Group's anti-corruption and anti-bribery measures are regularly evaluated in order to ensure that sufficient measures are in place.

Risk assessment is also 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 the DOF Group have 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

The Group is in the process of revising the Vendor Evaluation and Recertification process to incorporate requirements to ensure that

"Each region where DOF operates has developed registers of applicable legislation, standards, codes of practice and guidelines. These registers are the foundation for compliance measurement."

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 will incorporate topic specific training such as the Anti-Bribery & Corruption, and the Modern Slavery Act 2015, into its corporate training programme. Also, where necessary, DOF will commit 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

During the last few years, a major project has delivered a holistic Supply Chain Management system for the group, built upon bearing principles;

- The best interest of DOF and its partners
- Fairness, Integrity and Transparency
- Best value for money
- Effective competition

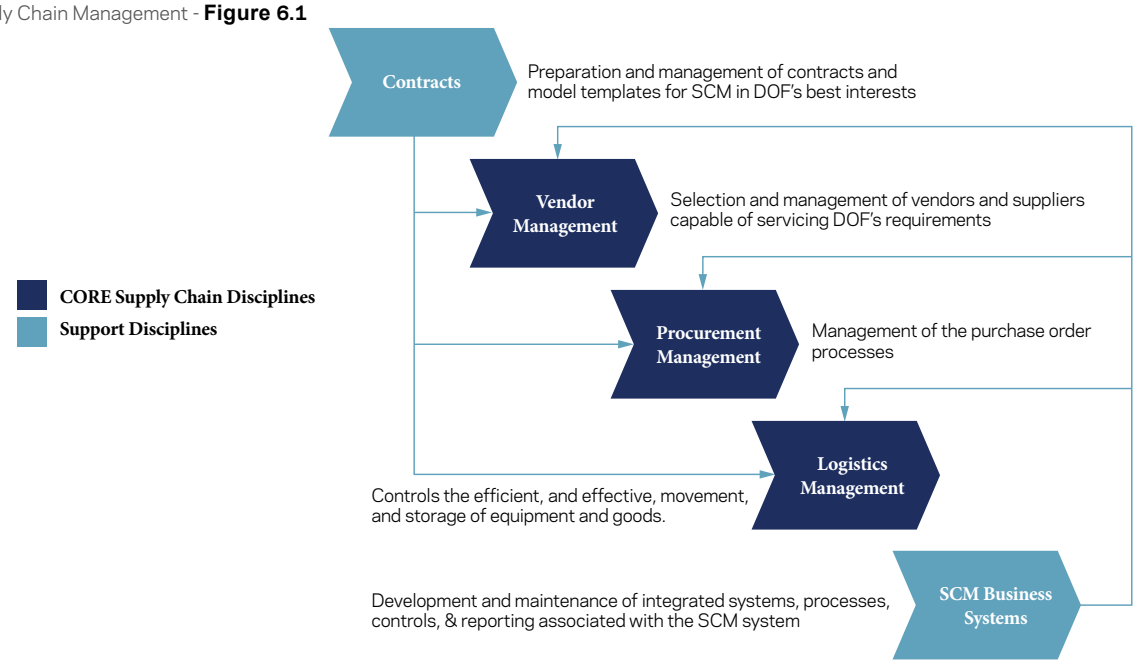
Another important objective for the project was to deliver a SCM system aligned with DOF's sustainability obligations towards external environment, anti-bribery and corruption, and human rights and anti-slavery / trafficking.

DOF's overall SCM system is comprised of three core disciplines and two support disciplines, interacting with each other as shown in figure 6.1.

- Vendor Management;
- Procurement Management;
- Logistics Management;
- Contracts;
- Business Systems.

"The aim of the Group is to produce lasting value for its stakeholders, and a long-term competitive return on the investment of its shareholders."

Supply Chain Management - **Figure 6.1**



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

Risk Balancing

DOF is a long-term industrial company with a strong history of more than 35 years, and has an active approach towards future risk and opportunity in a sustainability perspective. The Group strives to clarify its long-term potential, including strategy, value drivers and risk factors, to its main stakeholders.

The aim of the Group is to produce lasting value for its stakeholders, and a long-term competitive return on the investment of its shareholders. In order to meet this objective, 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, 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. The Group also emphasise 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, 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.

The distribution of risk between Subsea project and chartering of vessel has been quite stable over the last year 3 years (ref. figure 6.2). Subsea projects are normally regarded to have a higher risk profile compared to chartering of vessels, however the focus area for the company is IMR contracts with day rates, with limited lump sum risk EPIC risk.

In addition, DOF Subsea has limitation on the project size, i.e. we will rather be involved in 10 projects with value of USD 50 million each in revenue, than one major project with revenue of USD 500 million.

"During the last few years, a major project has delivered a holistic Supply Chain Management system for the group, built upon bearing principles;
- The best interest of DOF and its partners
- Fairness, Integrity and Transparency
- Best value for money
- Effective cmpetition."

Revenue per segment - **Figure 6.2**

	2016	2015	2014
Subsea projects	65%	66%	70%
Chartering of vessels	35%	34%	30%
Total revenue (NOK Million)	5 424	7 252	7 422

The above table shows the verified and predicted emission per operational day from 2013-2018. There has been an increase in fuel consumption for the reporting year. One of the main contributing factors is an increase in long transits between regions due to changes in market conditions. The final objective illustrated by the dotted line is a reduction of 12 % in 2018, which are within Group target for 10% reduction within the next 3-5 years.

Figure 6.3 illustrates the risk balancing within the Subsea segment (% of projects within each project level). Close to 50% of the revenue from Subsea projects are from projects on levels 2 to 4.

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 RESULTS HAVE DOF ACHIEVED:

DOF assesses the overall achievements of the organisation in terms of its ability to continuously obtain new commitments from its existing client base, and its ability to attract new clients to partner with DOF. Three important measures of DOF standing within the subsea services and oil and gas industries are:

Governing Documents
GRI-G4-SO5 | GRI-G4-SO7

The most important governing document in the DOF group is the Code of Business Conduct that has now been valid for several years. 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 the Group's ethical guidelines and business conduct with the implementation of an electronic training module made available to and obligatory for all employees. The Code of Conduct sets clear expectations on all employees, and is supplemented by a mandatory e-learn training module. The training is also publicly available at www.dof.no.

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

During 2016, 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.

In 2016, no confirmed corruption cases have been noted, and there was not any legal action pending or completed regarding anti-competitive behaviour, anti-trust or monopoly practices against the DOF Group.

"The most important governing document in the DOF group is the Code of Business Conduct."

Distribution of projects per project level - **Figure 6.3**

Level 0: Budget Pricing	5,83 %
Level 1: Manpower or Equipment Hire	26,21 %
Level 2: Working on Clients Vessel or PM&E Contracts	13,59 %
Level 3: Vessel Charters or Minor IMR Campaign	33,98 %
Level 4: Light Construction or IMR	18,45 %
Level 5: Major Construction/Intervention Projects	1,94 %

Bribery Risk Assessment
GRI-G4-SO3

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 the Group operates.

In addition, assessment related to Business Integrity and Ethics is mandatory in all projects identified as level 3 and above. In 2016, out of 109 Subsea projects, 54% 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.

DOF Group 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 was held in March 2016 and demonstrated this commitment through performing a gap analysis of legal and other requirements in addition to highlighting areas where the DOF Group 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 new workshop was held in March 2017 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 Group 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 were the Group 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

"In 2016, no confirmed corruption cases have been noted, and there was not any legal action pending or completed regarding anti-competitive behaviour, anti-trust or monopoly practices against the DOF Group."

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 4 and 5 (appendix iix) 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 GRI-G4-SO4

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 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 the DOF Group, regardless of their role and position. Five e-learning modules are mandatory, including 'Business Ethics and the Code of Conduct', which covers many issues regarding anti-bribery and anti-corruption policies. Figure 6.4 shows an estimated completion rate of this training. Efforts are ongoing during 2017 to achieve 100% completion rate and improve the data capture for documenting this.

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 GRI-G4-EC4

The DOF Group has not received any significant financial assistance from the government during the reporting year, nor is the government present in the share-holding structure.

SINGAPORE

- Tax relief and tax credits:
  - » Productivity and innovation credit includes cash payout:
    - USD 123,351 Enhanced deduction
    - USD 41,421 Cash payout
- USD 11,424 Tax credit wages

CANADA

- Graduate subsidy grant; CAD 10,400

NORWAY

- MUSD 220.4 financed with GIEK (ECA)

BRAZIL

- MUSD 91.1 financed with BNDES (ECA)

"Introduction training is provided to all employees in the DOF Group, regardless of their role and position. Five e-learning modules are mandatory, including 'Business Ethics and the Code of Conduct', which covers many issues regarding anti-bribery and anti-corruption policies."

Commitments to external initiatives GRI-G4-15

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 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 Safety Management System (SMS) based on compliance on the IMO regulations. The SMS is 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 DNVGL under the same IMO Legislation vessel by vessel. The vessels are also audited under the internal audit program

DOF Management utilises DNVGL 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.

"DOF have built up a Safety Management System (SMS) based on compliance on the IMO regulations. The SMS is audited and approved by DNV-GL and a Document of Compliance certificate is issued."

Overview by gender and employee category - **Figure 6.4**

BY EMPLOYEE CATEGORY	TRAINING	TOTAL HEADCOUNT	% OF EMPLOYEES COMPLETED TRAINING
Senior managers	200	233	85,84 %
Managers	750	849	88,34 %
Staff	1790	2213	80,89 %
Total	2740	3295	83,16 %

BY REGION	TRAINING	TOTAL HEADCOUNT	% OF EMPLOYEES COMPLETED TRAINING
Atlantic	1440	1599	90,06 %
Asia Pacific	380	415	91,57 %
North America	190	202	94,06 %
South America	1052	1469	71,61 %
Total	3062	3685	83,09 %

Memberships of associations
GRI-G4-16

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, but with individual memberships for the different companies in the DOF Group. After a successful application process, DOF accepted as an International Contractor (ICO) member. The acceptance as an ICO member is a strong recognition of DOF as a global company.

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 GRI-G4-SO8

In 2016, there was no significant fine and nonmonetary sanctions related to accounting fraud, workplace discrimination, or corruption under the jurisdictions where the DOF Group operates.

Supplier screening 414-1 & 308-1

The 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 2016, 11% 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. It should be noted that due to a merge of supplier registers, number of newly registered suppliers in 2016 was somewhat higher than usual.

"In 2016, there was no significant fine and nonmonetary sanctions related to accounting fraud, workplace discrimination, or corruption under the jurisdictions where the DOF Group operates."

WHAT ARE DOF'S FUTURE GOALS:

INDUSTRY LEADER - To leverage its global asset and operational expertise and knowledge supported by its corporate values to strengthen its position towards being recognised as an industry leader as a leader capable of in delivering large scale projects that add benefit to all stakeholders.

GLOBAL PARTNER OF CHOICE - Our objective is to present the DOF organisation to strategic global operators as a committed and reliable organisation that can supply all key assets and services as part of a business partnership where DOF is assisting its partners in developing optimum solutions for the benefit of both organisations, and other relevant stakeholders.

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 with not only benefit DOF but ultimately, its clients.

DOF's 2020 measures are:

- Aspiring 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 polices;
- 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.

DOF have an ambition to report according to GRI standard 204-1 in the 2017 report. The geographical definition DOF will use for "local" is the country code for the project combined with the country code of the supplier used for the purchase. This initiative will be aligned with our obligation towards our Base erosion and profit shifting (BEPS) reporting requirements.

Teamwork
(and labour rights)

DOF requires all parties to participate and collectively strive to develop best practice solutions aligned with the Group'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.

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, 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."

WHY IS TEAMWORK SIGNIFICANT TO DOF:

In the complex business markets in which DOF operates almost every change initiative or project solution has to be developed and delivered by a team. Willing and enthusiastic participation and collaboration between team members is the key ingredient for a successful team. DOF acknowledges that is due to the successes of past and current DOF teams within the corporate and the operational spheres that have built us into the professional and respected company we are today. Going forward, the need for professional and competent teams is crucial to DOF's strategic goals.

Competency

The ability to display 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 Leadership development programme 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 whereby the theory is supported by the presenters own real-life experiences.

The development of current and future leadership group is aligned with DOF's commitment to continuous improvements aligned with developing the individual and shared capabilities within the company in order to advance the organisation's capacity and capability to achieve current and future objectives.

WHAT ARE WE DOING ABOUT IT:

In order to build strong and capable teams, DOF takes serious attention to the identification and selection process of determining how teams are built and supported, how to select appropriate team members who can combine their individual skills and experiences with that of other team members to effectively address issues. Equally important, is their individuals social skills, how they will 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.

"Everything we achieve is as a result of teamwork."

"Willing and enthusiastic participation and collaboration between team members is the key ingredient for a successful team."

Labour rights & relations (employee satisfaction)

The Group is committed to being a great place to work, encouraging and supporting all employees to reach their full potential and ensuring that all employees exemplify DOF's vision and values. The entire group has systematically performed working environment surveys the last six years. Surveys are to be 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 work force.

The Great Place to Work initiative mentioned in last year's report has been put on hold, but will re-commence in mid-2017.

The Group 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. The Group recognises and respects the employees' right of association, organisation and collective bargaining, and the Group's 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. The Group believes it is essential to keep a continuous dialogue with employees' representative and trade unions. It is inevitable to maintain full work force at all times, however DOF will do its outmost to assist employees affected by down sizing, and the DOF Group has a robust program to support those employees by career as well as financial counselling.

Training and Education

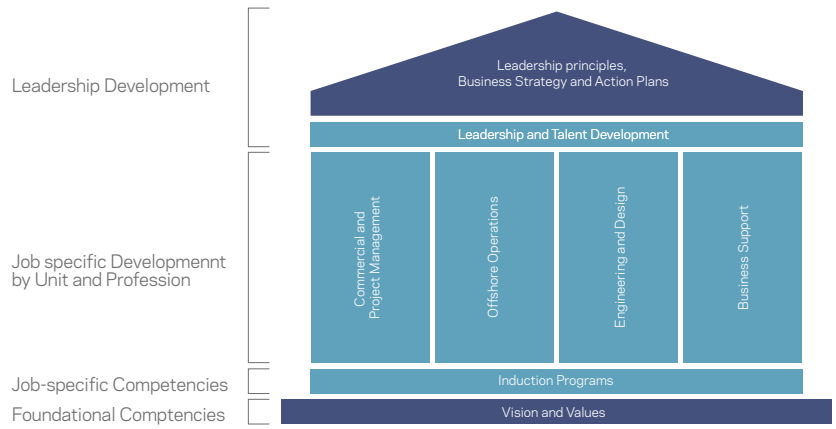
The DOF Academy has been established to formalise a more integrated and structured approach to organisational development.

- The framework of the DOF Academy is based on nine key strategies:
- Cultivating DOF Subsea 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

One of the core principles of the business model is to train and maintain a dedicated core crew on all DOF vessels. This ensures valuable operational and ensures that vessel knowledge is not lost between charter or project changes and leads to a higher level of safety, efficiency and quality services, benefiting the Group, the clients and the workforce.

"The Group is committed to being a great place to work, encouraging and supporting all employees to reach their full potential and ensuring that all employees exemplify DOF's vision and values."

DOF Academy framework - **Figure 7.1**



SAFE THE RITE WAY

WHAT RESULTS HAVE DOF ACHIEVED:

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

Some successful engineering developments have been recognised throughout the industry as major advancements on previous accepted practices in subsea intervention activities. The inventive solutions would not have been possible without the effort and ingenuity of the team. A benefit for DOF is that many of the solutions have been developed in a manner that will allow them to not only address the current application, but the design makes them suitable for use in other regions and for other client's applications.

Our Employees

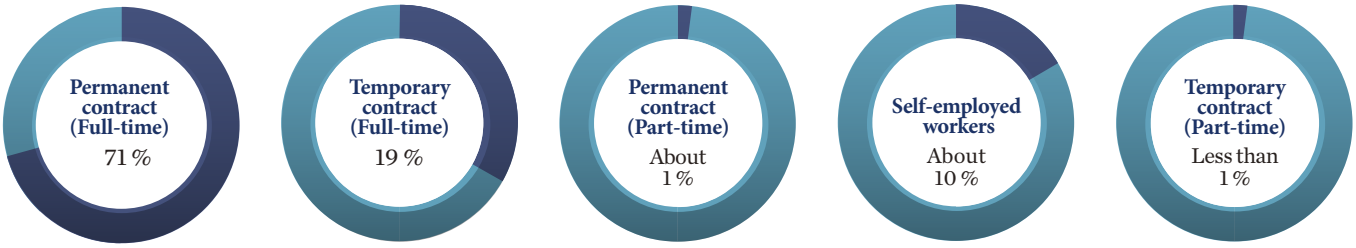
The Group aims to provide all employees with a safe working environment where they can advance their careers, develop their expertise and have a flexible working day. The focus on DOF's fundamental values – respect, integrity, teamwork, excellence and safety – has resulted in an improvement in individual efficiency and productive attitudes among our employees. The Group 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 2016, via DOF Academy (figure 7.1).

Diversity and inclusion has always been of high importance to DOF. The Equal

"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."

Employment statistics as of 31.12.2016

Employment type - **Figure 7.2**



	MEN	WOMEN	TOTAL
Permanent Contract (Full-time)	2493	406	2899
Temporary Contract (Full-time)	732	21	753
Permanent Contract (Part-time)	7	25	32
Temporary Contract (Part-time)	0	1	1
Self-employed workers	365	22	387
Total	3597	475	4072

E-Learning totals - **Figure 7.3**

E-LEARNING	
Number of users	688
Total time (minutes)	220 624
Average per user (minutes)	321

Demographics - **Figure 7.4**



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 the DOF Group 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.

Our staff is comprised of 90% full-time employees and more than 2,400 employees are covered by collective bargaining agreements (66,81%). Employment figures are further detailed in figure 7.2.

Coverage of the organisation's defined benefit plan obligations GRI-G4-EC3

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

A) DEFINED CONTRIBUTION PLANS - For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group 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. Reference given to appendix v.

Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation GRI-G4-LA2

Standard benefits to employees can great vary depending on the country's legislation where the Group operates. The key regions for the Group's 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.

The main benefits not provided to all temporary workers include paid leave, unless this is regulated by local labor laws.

Minimum notice periods regarding operational changes, including whether these are specified in collective agreements GRI-G4-LA4

In some countries where DOF operates, collective bargaining agreements include minimum notice periods regarding operational changes.

"Every year a global Improvement Program is developed, based on the strategy as well as input from regional management reviews from the entire DOF Group."

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 prescribes a period's notice between 1 day and 4 weeks variable according to the length of service. Permanent employment templates for DOF Singapore include one week notice period for employees in a 3 month probationary and one calendar month for Standard Employment.

ATLANTIC - In UK there is a minimum of one months' 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 GRI G4-LA11

DOF seeks to conduct annually career development reviews / appraisal for all eligible employees (depending on operational area / type of position) together with their managers. Due to challenges with data capture, figure 7.5 shows estimated numbers. Work will be performed during 2017 to increase accuracy in the numbers.

Overview of performance reviews by gender and employee category - **Figure 7.5**

BY GENDER	PERFORMANCE REVIEWS	TOTAL HEADCOUNT	% OF EMPLOYEES RECEIVED REVIEWS
Female	306	426,00	71,83 %
Male	2344	3184,00	73,62 %
Total	2650	3610	73,41 %

BY EMPLOYEE CATEGORY	PERFORMANCE REVIEWS	TOTAL HEADCOUNT	% OF EMPLOYEES RECEIVED REVIEWS
Senior managers	195	233	83,69 %
Managers	556	849	65,49 %
Staff	1627	2213	73,52 %
Total	2378	3295	72,17 %

Nondiscrimination GRI-G4-HR3

In 2016, there was one confirmed case recorded regarding discrimination. A specific procedure for handling the case was established, to ensure fair and thorough case handling according to internal routines.

WHAT ARE DOF'S FUTURE GOALS:

The future plan is to build on the strengths of the teams to act 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 a quicker proposition based on a proven solution that reduces the development phase, resulting in a cost-effective outcome that is a win-win scenario for DOF and its clients.

To support the teams it is envisaged that a group of Subject Matter Experts selected from appropriate regions will provide both corporate, and the project related teams with the necessary expertise associated with specialised services such as Diving, ROV, Engineering, etc.

DOF's 2020 measures are;

- Target for Great Place to Work as good as last measured
- During 2017 a new Performance Appraisal module will be deployed in the HR systems and standardise the process.

Excellence
(in customer service)

Excellence is being resourceful and responsive to the customer's needs and innovative in the solution applied to everyday problems. 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 the Group's employees, clients and other stakeholders. Ultimately, the DOF Group 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.

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."

WHY IS EXCELLENCE SIGNIFICANT TO DOF:

Achieving excellence in corporate and operational efficiencies across the organization is one of the most important things we can do to protect long-term sustainability for the organization. In addition to being a core value, excellence is more than a quality-focused concept. The Group acknowledges excellence is an attribute within the industry and is a significant consideration factor when the Group's overall capabilities are being assessed by existing and potential clients. It also needs to be viewed as a commitment and a discipline to ensure that everything we do is of the highest standard possible for our stakeholders and will deliver and secure sustainability and future success.

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

Excellence is what attracts and convinces talented individuals to join DOF. It is also a key attribute that will be acknowledged in the industry, and will be a significant consideration factor when DOF's overall capabilities are being assessed by existing and potential clients.

To meet the strategic objectives of growth and sustainability, DOF needs to expand its client base to attract new and diversified opportunities. As DOF's reputation as a competent subsea services provider spreads within the industry, it will provide DOF with the necessary credentials which will either bring new clients to DOF for similar services, or enable DOF to approach previously unobtainable clients.

WHAT ARE WE DOING ABOUT IT:

The challenge for DOF is to remove all signs of complacency and mediocrity from our organisation and operations. DOF is committed to an integrated approach to organisational performance management that will provide improvements and benefit to all aspects of the operation, this includes: process management, project management, knowledge management, resource management, and change management fields which 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

The Group is conscious of changes in disciplines and skills within core functions. By continuously

"Achieving excellence in corporate and operational efficiencies across the organization is one of the most important things we can do to protect long-term sustainability for the organization."

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 serves to perform their duties.

Alliances and partnerships are an alternative option that can provide the Group and its clients with specialised services or products currently unavailable. This strategic approach to 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 advantages.

Product reliability

For the DOF Group, product reliability is providing the best service to our customers with no delays. The Group 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), embodying a system of identifying customer needs, meeting stipulated requirements, providing a high quality product, then measuring and monitoring performance. The Group 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, where we can collectively participate with the client in providing assets and solutions for future projects.

Maintenance Management System

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

WHAT RESULTS HAVE DOF ACHIEVED:

In recent times, DOF has systematically reviewed its key business systems and processes resulted in a streamlining of them to align with current best practice models. DOF's commitment to excellence extends to the building of custom designed state-of-the-art assets which are consistently recognised

"Excellence is satisfying the expectations and requirements of our customers and other stakeholders."

FACT BOX

Maintenance Management System (MMS)

DOF are using TM Master as their 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
- Stock control
- Purchasing

During the year, substantial efforts have been done to standardise the maintenance management database to be more accurate regarding categories of maintenance, such as scheduled maintenance, critical maintenance, safety critical maintenance etc.

as best in class and subsequently create a new benchmark by which the competitors need to imitate to compete with DOF.

In 2016, the reliability target was increased from 97% to 98 in% available operative time for vessel and ROV operations. Both targets were met.

Maintenance Management System

The below list indicates some specific activities performed during 2016:

- Management approval - DNV GL Condition Monitoring Program
- Started implementing Condition Monitoring jobs in TMv2
- Optimised procurement management module to improve purchase process
- Implementation of docking module

Product reliability results, Subsea ROV Operations 2016

The main objective for the year has been to continue the efforts to improve operational uptime for Subsea ROV operations. The items below show some of the achievements within the area in 2016:

- Better utilization of maintenance system;
- Better monitoring by senior management regarding maintenance performance;
- Global standardization of operations;
- Strengthened the governing structure by clarifying procedures and guidelines;
- Task force to intervene and improve operations not meeting DOF standards;
- Improvement of economic control of maintenance ("Economic asset report");
- Main ROV suppliers have approved several (3) "green" oils – more information (Pandolin on Skandi Darwin) (review if this information should be provided in Respect for the Environment section).

Product reliability results, Vessel Operations 2016

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 2016:

- Focus on preventive maintenance;
- Condition based maintenance in agreement with class society, which contributes towards;
  - » Reduced cost
  - » Reduced environmental impact
  - » Reduced risk to people;
- Developing more accurate KPIs to measure vessel performance in a bigger picture;
  - » Feedback to fleets based on performance;
  - » Identifying focus areas for global gatherings / experience transfer;
  - » New vessel reporting system (Unisea);
- Improved design together with supplier to increase reliability of box coolers across the fleet;
- Established global maintenance team, travelling to vessels and ensuring consistent high quality maintenance;
  - » Increased quality control;
  - » Building in-house competence that can be utilized as a task force for problem solving, innovation and transfer of experience within the entire organisation.

"In 2016, the reliability target was increased from 97% to 98 in% available operative time for vessel and ROV operations. Both targets were met."

Operative uptime - **Figure 8.1**

QUALITY INPUT/OUTPUTS	GLOBAL TARGETS 2016 METRICS	2016	2015	2014
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%	98.8%	98.2%	Not available
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%	99.5%	98.95%	97%

Operational uptime DOF1

See figure 8.1

Customer satisfaction GRI-G4-PR5

DOF Group 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.

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

Within the Subsea segment there has been a positive development every year since 2013, and in 2016 the overall survey rating see a 10% improvement compared to the average the previous 3 years.

In the Marine segment, the overall survey rating see a 15% improvement compared to previous 3 years.

There were no customer complaints registered during 2016.

WHAT ARE DOF'S FUTURE GOALS:

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.

The Group 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 meaningful mutually beneficial relationships.

The DOF Group 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 work smarter', the DOF Group appreciates the importance of maintaining the quality of services 'since this is the key to our future'. 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.

"The DOF Group has a zero mind-set towards customer complaints and downtime of our operations."

Scoring areas - **Figure 8.2**

SUBSEA
Mobilisation
Engineering (Project & Design)
Client's Objectives (Understood & Achieved)
Client Relationship
Schedule Management
HSE Management
Site Operations
Overall Project Management (including communications)
Overall Performance

MARINE
HSE Management
Co-operation
Flexibility
Dialogue
Delivery of service
Cost
Results
Added value
Overall Performance

Maintenance Management System

The focus in 2017 shall be on improved user competence and improved data quality, and all users shall strive to identify suggestions for improvement and raise need for training. Suggestions for improvements will be basis for further improvement development of the tool. Particular emphasis shall be on improving system functionality and support for subsea assets, including ensuring sufficient resources.

Improving data quality shall be coordinated with development of a new maintenance strategy for the Group's assets available by end Q2 2017.

DOF will together with our suppliers for operation and software improve the system performance to ensure an efficient process for all users of the system. The improvement project is ongoing and will be finalized by Q2 2017.

The list below indicates some specific activities to be performed during 2017:

- Standardize Crane structure & maintenance
- New Critical to safety procedure & implement CRISAF list in TMv2
- Integration between TMv2/ ERP system
- Upgrade TMv2 version for all users

ROV Operations

The below list indicates some of the areas that will be focused on during 2017:

- Monitor implementation of global standardisation of operations;
- Close follow-up of maintenance budget based upon equipment utilization and condition;
- Active phaseout of old ROV systems;
- Continue evaluation of using "green oil" on hydraulic ROVs and tooling;
- Evaluation of new technology – e.g. ROVs with electric propulsion instead of hydraulic – high speed ROV.

Vessel Operations

The below list indicates some of the areas that will be focused on during 2017:

- 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);

DOF's 2020 measures are:

- Delivered an improved Business Management System avoiding unnecessary bureaucracy – measured by survey;
- A global structure of qualified quality controllers available for the Group. Partly built up within organizational structure; as well by a set of subcontractors;
- Extra emphasis on monitoring our customers' feedback and cover all phases of our operations.

"Improving data quality shall be coordinated with development of a new maintenance strategy for the Group's assets available by end Q2 2017."

FACT BOX

High-speed survey ROV

High-speed survey ROVs are designed to be streamlined and faster than traditional ROVs. They are purpose built towards work such as seabed mapping and pipeline inspection. This will enable our clients to get more area inspected for less cost, and allowing smaller work platforms (vessels). In turn this may also have environmental impact with less vessel hours and smaller vessels.

Appendix

Appendix i - GRI Content Index for 'In Accordance'

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G4-21 Material Aspect Boundaries outside the organisation	57, 58	
G4-22 Major restatements of information	7	
G4-23 Significant changes in Scope and Material Aspect Boundaries	N/A	
G4-24 Stakeholder groups	15, 16	
G4-25 Basis for identification and selection of stakeholders	15, 16	
G4-26 Approach to stakeholder engagement	15, 16	
G4-27 Key topics and concerns raised and the organisation's approach	15, 16	
REPORT PROFILE		
G4-28 Reporting period	01-Jan - 31 Dec. 2016	
G4-29 Date of most recent previous report	Issued April 2016	
G4-30 Reporting cycle	Annual	
G4-31 Contact	Stig Clementsen, CSO	
G4-32 The ""in accordance"" option chosen by the organisation	Core	
G4-33 Assurance	59	
GOVERNANCE		
G4-34 Governance structure of the organisation	12	
ETHICS AND INTEGRITY		
G4-56 Organisation's values	15	

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

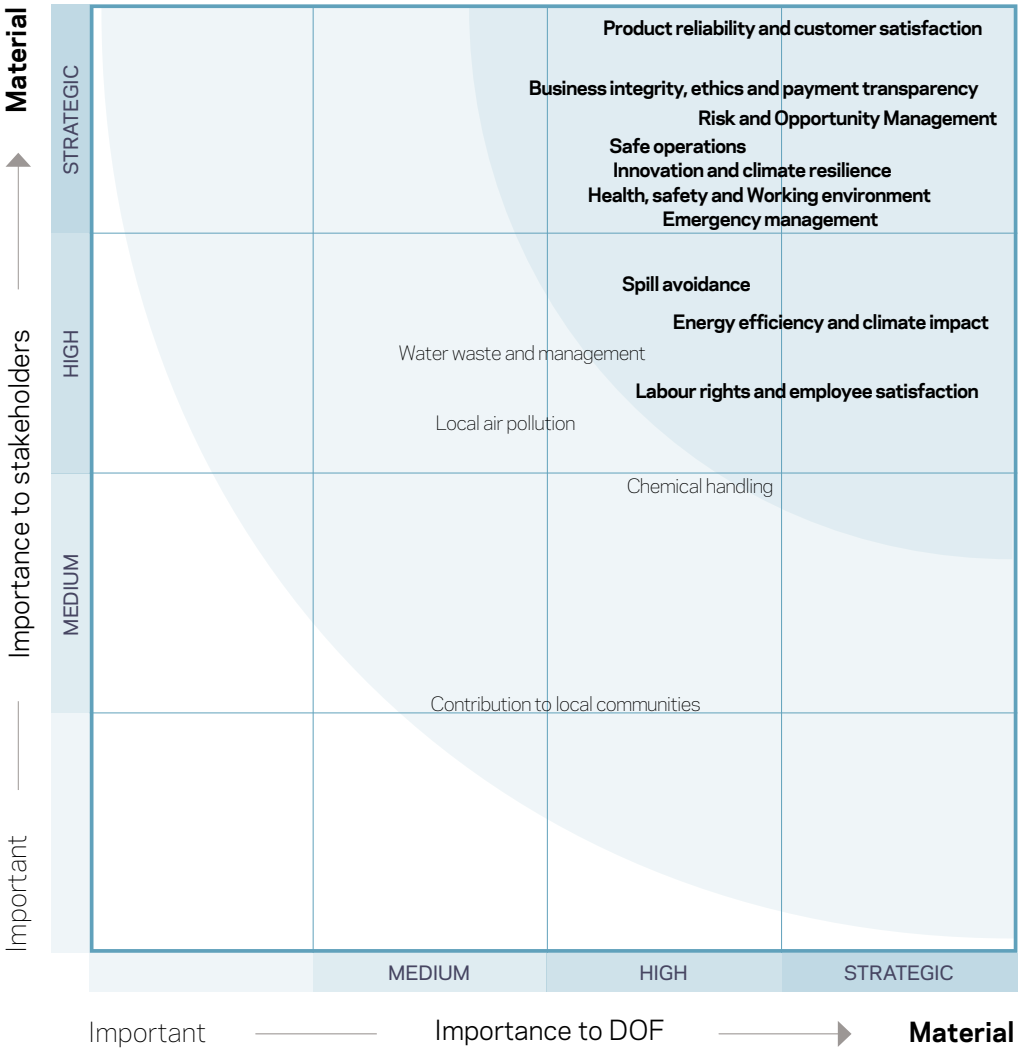
DMA AND INDICATORS	PAGE NUMBER (OR LINK) Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organisation. In these circumstances, the organisation may elect to add a specific reference to where the relevant information can be found.	IDENTIFIED OMISSION(S) In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	REASON(S) FOR OMISSION(S) In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	EXPLANATION FOR OMISSION(S) In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	EXTERNAL ASSURANCE Indicate if the Standard Disclosure has been externally assured. If "yes", include the page reference for the External Assurance Statement in the report.
CATEGORY: ECONOMIC					
ASPECT: ECONOMIC PERFORMANCE					
G4-DMA	26, 32, 42				No
G4-EC2	30	No			Yes
G4-EC3	45	No			Yes*
G4-EC4	38	No			Yes
**Note: EY has only performed qualitative verification of the G4-EC3 indicator.*					
CATEGORY: ENVIRONMENTAL					
ASPECT: ENERGY					
G4-DMA	26				
G4-EN3	29	No			Yes*
ASPECT: EMISSIONS					
G4-DMA	26				
G4-EN15	29	No			Yes*
G4-EN16	29	Yes	We currently report according to the pre-2015 greenhouse gas protocol guidelines and have not yet calculated market based emissions	DOF Group is aligning the environmental database and will in the 2017 report include location and market based emissions using updated factors.	Yes*
**Note: External assurance regarding emissions is provided by CO_2 focus*					
ASPECT: EFFLUENTS AND WASTE					
G4-DMA	26				
G4-EN24	30	No			Yes
ASPECT: COMPLIANCE					
G4-DMA	26				
G4-EN29	30	No			Yes
ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT					
G4-DMA	32				
308-1	40	No			Yes
CATEGORY: SOCIAL					
ASPECT: EMPLOYMENT					
G4-DMA	42				
G4-LA2	45	No			Yes
ASPECT: LABOUR / MANAGEMENT RELATIONS					
G4-DMA	42				
G4-LA4	45	No			Yes

APPENDIX

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

DMA AND INDICATORS	PAGE NUMBER (OR LINK)	IDENTIFIED OMISSION(S)	REASON(S) FOR OMISSION(S)	EXPLANATION FOR OMISSION(S)	EXTERNAL ASSURANCE
CATEGORY: SOCIAL					
ASPECT: OCCUPATIONAL HEALTH AND SAFETY					
G4-DMA	20				
G4-LA6	24	Rates for independent contractors are not available (G4-LA6 b.)	The information is currently unavailable.	Hours are currently not captured separately for independent contractors. This will be looked into during 2017.	Yes
G4-LA8	24	No			Yes
ASPECT: TRAINING AND EDUCATION					
G4-DMA	43				
G4-LA11	46	No			No
ASPECT: NONDISCRIMINATION					
G4-DMA	42				
G4-HR3	47	No			Yes
ASPECT: ANTI-CORRUPTION					
G4-DMA	32				
G4-SO3	37	No			Yes
G4-SO4	38	While various data exists within the area of the indicator, figures for accurate quantitative analyses are not available.	The information is currently unavailable.	Activities are planned to be performed during 2017 to capture required data.	
G4-SO5	36	No			Yes
ASPECT: ANTI-COMPETITIVE BEHAVIOUR					
G4-DMA	32				
G4-SO7	36	No			Yes
ASPECT: SUPPLIER SOCIAL ASSESSMENT					
G4-DMA	32				
414-1	40	No			Yes
CATEGORY: DOF CUSTOM INDICATORS					
ASPECT: COMPLIANCE					
G4-DMA	33				
G4-SO8	40	No			Yes
DOF ASPECT: PRODUCT RELIABILITY AND CUSTOMER SATISFACTION					
DMA	49				
G4-PR5	51	No			Yes
DOF1	51	No			Yes
DOF ASPECT: RISK BALANCING					
DMA	35				
Qualitative text indicator	35	No			Yes

Appendix ii - Materiality matrix



MATERIALITY MATRIX REV 2017001

APPENDIX

Appendix ii - Materiality matrix (continued)

DOF GROUP VALUE	MATERIAL ISSUES	ASPECTS G4-19	WITHIN THE ORGANISATION G4-20	OUTSIDE THE ORGANISATION G4-21
Safe the RITE way	Health, safety amd working environment Emergency management Safe Operations	G4-LA6 Occupational Health and Safety G4-LA8 Health an|d Safety agreements	Whole organisation DOF is highly committed to its core values – Safe the RITE way - and works pro-actively to achieving them.	Global Employees, shareholders, customers, local communities, NGOs, policy makers, shareholders, suppliers
Respect	Energy Efficiency & Climate Impact	G4-EN15, G4-EN16 Emissions G4-EN3 Energy Consumption G4-EN29 Compliance	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_2 reducing solutions as part of their own efforts to reduce carbon footprint.	Global Customers, civil society, policy makers, local communities, NGOs, shareholders
	Spill avoidance Our people	G4-EN24 Effluents and waste		
Integrity	Business Integrity, ethics and payment transparency	G4-SO3 Anti-corruption G4-SO4 Anti-corruption G4-SO5 Anti-corruption G4-SO7 Anti-Competitive behaviour G4-EC4 Financial assistance G4-SO8 Compliance 414-1 Supplier Social Assessment 308-1 Supplier Environmental Assessment	Whole organisation For DOF, business integrity and ethics policy are of high priority and the Group expects their companies and employees to follow and adopt behaviours to protect and build the Group's reputation, in all situations. For the DOF group to be in compliance to law and to industry standards is of strategic priority. In all of the regions the Group operates, it strictly follows all rules and regulations addressed by the national governments. The Group 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.	Global Customers, civil society, shareholders, suppliers, policy makers
Teamwork	Labour rights and employee satisfaction	G4-LA2 Employment G4-LA4 Labor/ Management Relations G4-LA11 Training and Education G4-HR3 Nondiscrimination G4-EC3 Benefit obligations	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 the Group conducts their business activities every day.	Global Employees, shareholders, customers, local communities, NGOs, policy makers, shareholders, suppliers
Excellence	Product reliability and customer service	Enter product realisation objectives 2015 and results as well as customer feedback statistics. PR5- Product and Service labelling	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.	Global Customers, policy makers, shareholders, civil society
	Risk Balancing	Qualitative text indicator - Turnover per business segment	Whole organisation The Group acknowledges the importance for investors of risk and return. DOF aims to provide timely and reliable information for investors about their investments and operations in all the regions the Group engage in activities.	Global Customers, policy makers, shareholders, civil society
	Innovation & Climate Resilience	G4-EC2 Financial implication due to climate change	Whole organisation The DOF Group is continuously defining and measuring its sustainability risks such as climate change through measureable and innovative control measures that are being applied within the business.	Global Employees, shareholders, customers, local communities, NGOs, policy makers, shareholders, suppliers

Appendix iii - Independent Assurance Report

EY
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To the Board of Directors of DOF ASA

Independent assurance report – Sustainability Reporting for 2016

We have performed an independent control of DOF ASA's reporting on Sustainability for 2016 (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 G4 "in accordance" option "core" (GRI G4). Externally assured information is indicated in the GRI G4 index in the Sustainability Report for the financial year 2016.

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 G4 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 G4 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 G4 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 G4 criteria, or that the information in the Sustainability Report contains material misstatements.

Bergen, 20 April 2017
Ernst & Young AS

Eirik Moe
State Authorised Public Accountant

A member firm of Ernst & Young Global Limited

APPENDIX

Appendix iii - Independent Assurance Report (continued)

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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 2017. The GHG assertion is based on historical data from 2016 (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 2017. 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 2016. 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 2016 are, for scope 1: **605 177** metric tonnes CO_2e, for scope 2: **1 159** metric tonnes CO_2e and for scope 3: **105 166** metric tonnes CO2e. 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 2017 have not, in all material respects, been prepared in accordance with the above stated criteria.

Oslo, 06.04.2017

Per Otto Larsen
Head of CSR and Environment
CO2focus AS

Izabella Kazimiera Łęgosz
Senior Advisor
CO2focus AS

Appendix iv - Conversion factors

Conversion factors. Reference: http: / / www.ukconversionfactorscarbonsmart.co.uk

FUEL / MATERIAL / ENERGY	EMISSION FACTOR	UNIT
Marine Gas oil (MNG)	3.22030	metric tonnes CO_2e per metric tonne
Liquefied Natural Gas (LNG)	2.70721	metric tonnes CO_2e per metric tonne
Other: Electricity UK	0.44548	metric tonnes CO_2e per MWh
Other: Electricity Australia	0.84092	metric tonnes CO_2e per MWh
Other: Electricity Norway	0.01669	metric tonnes CO_2e per MWh
Other: Electricity Singapore	0.49945	metric tonnes CO_2e per MWh
Other: Electricity Brazil	0.08677	metric tonnes CO_2e per MWh
Other: Electricity Canada	0.18641	metric tonnes CO_2e per MWh
Other: Electricity USA	0.52225	metric tonnes CO_2e per MWh
Other: Electricity Argentina	0.19654	metric tonnes CO_2e per MWh
Other: Electricity Indonesia	0.70908	metric tonnes CO_2e per MWh
Other: Electricity Angola	0.63471	metric tonnes CO_2e per MWh

Appendix v - Summary of pension schemes / benefit obligations

Summary of pension schemes

ATLANTIC	**Norway (DOF Management / DOF ASA)** ▪ 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. ▪ Pension liability in DOF Management AS amounts to TNOK -878 at YE 2016 (pension liability TNOK 30 998 and pension assets TNOK 31 976). ▪ Total liabilities (DOF Management and DOF ASA) by year end 2016 is NOK 38.3 million ▪ Total assets (DOF Management and DOF ASA) is NOK 37.8 million ▪ DOF Management AS' external actuarial pension calculation is as of 31.12.2016 (calculated in January 2017 with the latest changes to assumptions).). ▪ Plan is covered. ▪ The defined benefit plan ensures covered persons 70 % of salary. ▪ In DOF Subsea Norway a percentage of salary is paid to an insurance company in line with the earnings of wages being future payments of pension handled by the insurance company ▪ The employee gets the value of the fund paid in monthly payments when the employee reach the age of pension ▪ A Defined Benefit Plan covers all the offshore people (seamen) in the age period of 60-67 years. Seamen at age 67 and older are included in the Defined Contribution Plan. ▪ All employees recruited onshore after 2011 are offered Defined Contribution Plans. ▪ The onshore employees below the age of 54 in 2011 were moved from the Defined Benefit Plan to the Defined Contribution Plan. ▪ DOF ASA's subsidiary DOF Management has entered into an agreement with Nordea Liv (DNB Liv from 1 Jan 2015) to cover a pension scheme for employees. The 5 employees in DOF ASA are covered under the DOF Management Agreement. ▪ The Company only has Norwegian employees. The company has entered into an earnings related (ytelsesbasert) pension scheme for employees hired before 2007 and contribution based pension scheme for employees hired after 2008 ▪ The estimate is based on a calculation from a third party (actuary) ▪ The estimate was made January 2017 ▪ All pension costs are covered by the employer

APPENDIX

Appendix v - Summary of pension schemes (continued)

Summary of pension schemes

ATLANTIC (CONT.)	**Norway (DOF Subsea)** ▪ 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. ▪ Liability for defined benefit plan for DOF Subsea Norway was MNOK 31.8 at end of 2016. Total funds held by life insurance company is MNOK 20.7. ▪ DOF Subsea AS has a defined contribution pension plan for its employees. A percentage of salary is paid to an insurance company in line with the earnings of wages. DOF Subsea AS has no pension liability. ▪ All employees in DOF Subsea AS have to be part of the pension scheme. ▪ Pension fund is handled by the insurance company. ▪ The company has no liabilities or obligation after payments to the insurance company on behalf of the individual employee. ▪ The individual employee's fund is based on actual payment done by the company and actual returns on funds. ▪ The employee gets the value of the fund paid in monthly payments when the employee reaches the age of pension **UK** ▪ There is no liability for the company ▪ In UK there are no defined benefit plans
SOUTH AMERICA	**Brazil** ▪ There is no liability for the company ▪ In Brazil the company holds a private pension plan on a private bank ▪ Pension Plan is based on salary percentage contribution from both employee and the company. Department manager and above positions may contribute with 10% while for other employees the limit will be 4% ▪ Pension scheme is setup based on years of contribution together with years within the Company. To be able to rescue 100% of the company's contribution, the employee must have worked for at least 10 years ▪ Scheme is voluntary and it is estimated that 40% of all employees are participating
NORTH AMERICA	**USA** ▪ There is no liability for the company ▪ In the USA, the 401(k) plan is fully vested under the Safe Harbor Act Pension Plan and there is no liability for the company ▪ The plan matches the first 6% of contributions dollar for dollar ▪ The company portion is immediately vested at 100% as soon as the money leaves the company for each paying period **Canada** ▪ There is no liability for the company ▪ Canada operates Employer/Employee funded Registered Retirement Savings Plan (RRSP) ▪ Maximum employer contribution is 2%, employees have the option to contribute higher percentage
ASIA PACIFIC	**Australia** ▪ There is no liability for the company ▪ Australia operates compulsory superannuation schemes based on employer defined contributions. ▪ Employees have the right to choose which superannuation fund (external funds they are a member of). ▪ External superannuation funds in Australia are monitored by Australian Securities and Investment Commission as well as other Governmental agencies. ▪ 9.5% contribution by employer. Voluntary contributions can be made by the employee but limits are imposed **Singapore** ▪ There is no liability for the company ▪ In Singapore the company is required to pay monthly contributions to the Central Provident Fund with variable rates depending on the employees' age

Appendix vi - Indicators

CLIMATE

Greenhouse gas emissions	Unit of measurement	2016	2015	2014
Emissions of CO_2 equivalents,	Tonnes	619 852.9	651 255.3	639 641.2
Of which from fuel consumption	Tonnes	605 177.3	638 476.2	629 510.2
Of which from business travel	Tonnes	14 675.6	12 779.1	10 131.0

Energy Consumption	Unit of measurement			2014
Electricity	MWh	4 395.4	3335.28	6439.85

EMPLOYMENT PRACTICES

Employees	Unit of measurement	2016	2015	2014
Employees 31.12	Number	4 072	4 492	5 382
Of which women	Number	3 597	513	620
Of which men	Number	475	3 979	4 762
Employees by Contract Type				
Full-time	Number	3 652	4 298	5 252
Part-time	Number	33	35	53
Self-employed	Number	387	159	77

OCCUPATIONAL HEALTH AND SAFETY

OHS Inputs / Outputs	Unit of measurement	2016	2015	2014
Fatalities	Number	0	2	0
Male		0	2	0
Female		0	0	0
Atlantic		0	1	0
North America		0	0	0
South America		0	0	0
Asia Pacific		0	1	0
Number of Lost Time Incidents (LTI)	Number	8	14	7.00
Lost Time Injury Frequency Rate	LTIs per million man-hour	0.79	1.10	0.60
Male		0.90	1.15	0.68
Female		0.00	0.69	0.00
Atlantic		1.40	1.95	0.85
North America		0.00	0.00	0.00
South America		0.27	0.00	0.28
Asia Pacific		0.61	1.62	0.69
Total Recordable Case Frequency Rate	TRC per million man-hour	2.28	1.96	2.31
Male		2.58	2.13	2.62
Female		0.00	0.69	0.00
Atlantic		3.98	2.84	2.22
North America		0.00	3.98	2.53
South America		1.09	0.22	1.95
Asia Pacific		1.22	2.70	3.46
First Aid Cases	Number	94	111	136
First Aid Case Frequency Rate	FACs per million man-hour	9.30	8.71	11.64
Safety Observation Rate	SOB per 200,000 man-hour	495.5	438.2	452.50
Management visits	Visits per 200,000 man-hour	9.38	7.91	5.15

Appendix vi - Indicators (continued)

OCCUPATIONAL HEALTH AND SAFETY

OHS Inputs / Outputs	Unit of measurement	2016	2015	2014
Lost Day Rate	% lost days of scheduled days	0.02%	0.03%	
Male		0.02%	0.03%	
Female		0.00%	0.03%	
Atlantic		0.02%	0.06%	
North America		0.00%	0.00%	
South America		0.03%	0.00%	
Asia Pacific		0.00%	0.05%	
Absentee Rate	% absent days of scheduled days	2.13%	1.20%	
Male		2.08%	0.98%	
Female		2.52%	2.86%	
Atlantic		4.11%	1.50%	
North America		1.15%	0.36%	
South America		0.42%	1.03%	
Asia Pacific		0.92%	0.93%	
Occupational Disease Rate	Occupational diseases per million man-hour	0.30	0	0.43
Male		0.34	0	0.48
Female		0.00	0	0.00
Atlantic		0.23	0	0.68
North America		1.86	0	0.00
South America		0.00	0	0.28
Asia Pacific		0.61	0	0.00

Appendix vii - HSEQ training levels



Level I training will provide an introductory overview of HSEQ to all personnel starting with the DOF Group. Level I will provide introductory safety information and also a number of learning modules for all employees.

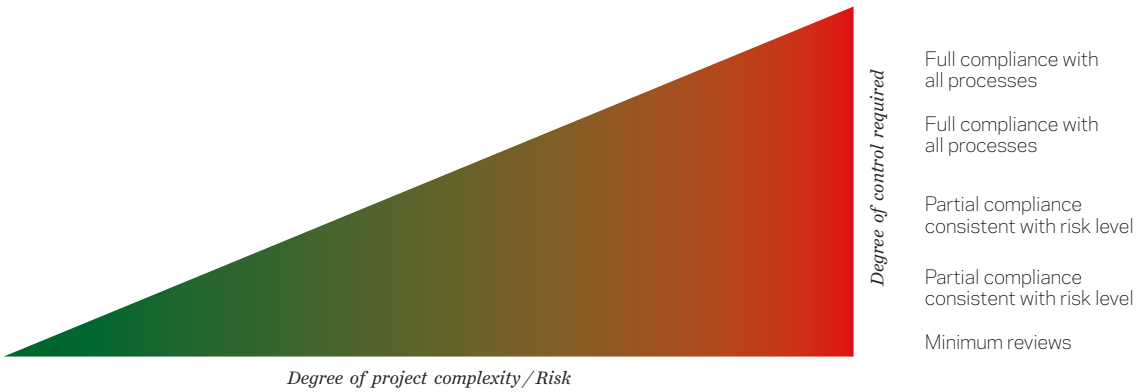
Level II training is focussed on providing Managers / Officers / Supervisors with the skills to manage HSEQ. This will provide skills to be part of the investigation team and also provide management of HSEQ.

Level III training is focussed on providing Managers / Officers / Supervisors with the skills to provide leadership in HSEQ. This expands further on Level II training to provide the skills not only to manage HSEQ but provide leadership.

DOF has developed a robust training regime to provide the workforce with skills and capabilities to fulfil their roles and responsibilities safely and assist in achieving DOF objectives. The Group is committed to provide training and development opportunities to all employees, and it is our philosophy to create equal opportunities for individual development that will enable our employees to achieve their goals, and those of the organisation.

The basic induction training evolves from induction towards management and leader training thought a robust training structure showed in the figure above.

Appendix iix - Degree of complexity / risk compared to degree of control required



LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5
Manpower or equipment Hire	Working on client vessel or PM&E contract	Vessel charters or Minor IRM campaign	Light construction or IRM	Major Construction / Intervention projects

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. The Group has an ambition to develop a custom DOF disclosure and measuring structure that allow accurate reporting on the overall risk profile of the Group. The objective is to have this ready by 2016.

Appendix ix - NOx reduction measures

YEAR	VESSEL	VERIFIED NOX REDUCTION TON / PER YEAR	MEASURE	ANNUAL CALC. NOX REDUCTION
2008	Skandi Mongstad	131.70	Catalysts	90% reduction
			Hybrid propulsion / centre propeller	30% reduction
2008	Skandi Acergy	172.90	Catalysts	90% reduction
			Hull lines development	
			Medium speed engines	
			Centre propeller solution	
2008	Skandi Protector	126.03	Catalysts	90% reduction
			Moonpool bottom plugs	8% reduction
2008	Skandi Seven	103.20	Catalysts	90% reduction
			Hull lines development	
			Medium speed engines	
			Moonpool bottom plugs	8% reduction
2009	Skandi Admiral	81.41	Rebuilding of 4 main engines to IMO low NOx	
2009	Skandi Flora	118.50	Catalysts	90% reduction
2009	Skandi Arctic	173.95	Catalysts	90% reduction
			Hull lines development	
			Medium speed engines	
			Centre propeller solution	
2009	Skandi Olympia	19.60	Catalysts	75 %
2010	Skandi Skolten	46.79	Hull lines development	
			Hybrid propulsion / centre propeller	25% red for transit,AH,DP,Tow
2010	Skandi Hercules		Hybrid propulsion / centre propeller	25% red for transit,AH,DP,Tow
			Hull lines development	
2010	Skandi Vega	155.60	Catalysts	90% reduction
			Hull lines development	
			Hybrid propulsion / centre propeller	25% red for transit,AH,DP,Tow
2011	Skandi Skansen	33.10	Hull lines development	
			Hybrid propulsion / centre propeller	25% red for transit,AH,DP,Tow
2011	Skandi Feistein		New bow design - Fuel saving	
2012	Skandi Kvitsøy		New bow design - Fuel saving	
2011	Skandi Gamma	107.00	LNG propulsion	80 % reduction
2013	Skandi ICEMAN	30.71	Catalysts	90% reduction
			Hybrid propulsion / centre propeller	25% red for transit,AH,DP,Tow
2015	Skandi Vega		El.power from Shore connection in Bergen	ca. 2,97 ton / year
2015	Skandi Africa		Catalysts	90% reduction
			Hull lines development	
	NOx reduction, ton / year	1300.49		

As can be seen from the tables above results are noticeable with a verified reduction of NOx in Norwegian waters for DOF vessels of 1300.49 ton / year. The results are approved by DNV GL. DOF will maintain the focus on NOx reduction measures going forward.

Layout: DOF Corporate Communication Department

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