

# Interview with CEO of SBM Offshore

## “The importance of sustainable business to SBM Offshore”

*Tony Mace,  
CEO of SBM  
Offshore*



Sustainability is tied up with SBM Offshore's business strategy as a whole. Concern for its employees is at the centre of the Company's sustainability strategy. In an interview made by teleconference from the Company's Dutch headquarters in Schiedam, with SBM Offshore's CEO Tony Mace in Monaco, he emphasizes that "human capital is the Company's greatest asset."

*By Yvonne van der Heijden*

As an engineering contractor, SBM Offshore has been involved in the design, supply and leasing of offshore energy related equipment for over fifty years. Mace explains

that "we aim to manage our operations in a manner that complies with the highest standards of business practice. We always had a policy of looking after the health and safety of our employees and have broadened this gradually to include subcontractors we do business with."

Compared to its competitors, according to Mace, SBM Offshore stands out in developing health, safety, and security Company policies. "We have top of the line procedures in place and we continue to introduce new safety initiatives." For instance, in 2010, SBM Offshore internally adopted "12 Life-Saving Rules" for all of its more than 5,700 employees worldwide. This scheme identifies twelve types of activities which statistically have caused the most accidents for employees working in the offshore industry; whether those activities take place at work on a platform, office or construction site or driving to work. Mace stated that "these rules range from entering an enclosed space in a construction yard without first checking if the space is safe, to speeding while driving or not wearing your seatbelt."

The training of all personnel also focuses on the ability to look out for oneself. "Of course the Company provides the framework and processes for a healthy and safe work environment through safety training, design, equipment, and so on", notes Mace. "But at the end of the day everybody has to be very much aware of their own safety as well. Eventually, every individual contributes to the overall achievement of our goal, which is of course to have zero accidents."

### **Engage national crew**

Another aspect of SBM Offshore's sustainability strategy is to engage national workers and small businesses in the countries in which it operates. In doing so the Company contributes to the development of local communities. SBM Offshore has local operations in Angola (with almost 50% national crew) and Brazil (with 75% national crew), and will start new facilities with local involvement in Equatorial Guinea and the Canadian province of Nova Scotia in 2011.

Following the initial development, in line with Angolan wishes to also construct offshore facilities in Angola, the Company with its Angolan partners started to develop an FPSO integration and construction yard in an area of Angola which has low economic activity and high unemployment. Mace stated that "we were encouraged by the Angolan governmental policy that projects must take place in Angola itself. To show our commitment, we started building the construction yard 'PAENAL' in anticipation

# Human capital is the Company's greatest asset

Local content is developing into a key element of SBM Offshore's growth strategy. Angola is a case in point. "For us, growth in Angola was in the first instance a business opportunity as the country requires Floating Production Storage and Offloading (FPSO) facilities to develop their offshore oil and gas production.

SBM Offshore leases and operates these facilities for clients in joint venture with Angolan companies.

This combination is the basis for long term local development of personnel working on the facilities offshore and at shore bases, but also the development of the local industries which support these operations. Angolans are continually trained by us in the operation of offshore systems and are gradually turning into a national workforce."

of potential new projects that will provide work to that yard. We employ Angolans and train them and have seen local industries in the region grow as the yard requires more and more local goods and services. Recently, the yard has managed to obtain a significant contract for work on an offshore project. Consequently, even more Angolans will be hired and trained.

This illustrates how we have implemented local content policy and how this is beneficial both for us and the host country."

### **Reduction of emissions**

According to Mace, a tough sustainability challenge remains the "further reduction of greenhouse gas emissions from offshore facilities." SBM Offshore tries to design and develop new technologies to create

greener systems which it can then propose to its clients. Mace commented that in the oil and gas producing sector “an increasing number of our clients are becoming aware of the impact their operations have on the environment and are ready to consider the introduction of systems that are designed to reduce emissions wherever possible.”

In addition to developing cleaner systems, SBM Offshore’s R&D Department is also working on the issue of energy shortage, and is looking for solutions in the offshore environment through generating energy from waves and ocean thermal conversion.

### **Milestone**

In 2010, SBM Offshore reached a milestone when it was included in the Dow Jones Sustainability Index (DJSI). Mace states that “by achieving this, we have shown that we have a strong commitment to conduct business in a sustainable and transparent manner and this has been recognized by the DJSI. This proves that the reporting system we have developed is up to standard. Being part of this index is special to us also because only a few companies in our sector have been included.”

### **Code of Conduct**

To conclude, Mace points out that SBM Offshore has a Code of Conduct which lays out in detail the Company’s responsibilities to its stakeholders and to society and the environment. Mace notes that “all of our employees receive training on how we conduct business and how employees should behave. The Code of Conduct is a strong pillar that supports SBM Offshore’s sustainability strategy.”



**Yvonne van der Heijden (1955) has been working as a journalist since 1979.**

She writes on economics and takes special interest in social, development, and sustainability issues. She began her career as a journalist at the parliamentary bureau of daily newspapers in The Hague. In the nineties, she was based for almost a decade in Beijing, China. There she worked as a foreign correspondent for the Dutch business newspaper-Het Financieele Dagblad as well as other publications. Since 1999 she has been a freelance writer based in the Netherlands concerned with topics such as Corporate Social Responsibility, engineering industry, pensions, social security, and China.

Van der Heijden, a Nieman Fellow at Harvard University in 1986, has published two books on China. The first about doing business in China (March 2007) and the second on the 400 year history of Sino-Dutch trade relations (July 2008).