



Value that comes from excellence



2018

ANNUAL REPORT



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Presentation

For the sixth consecutive year, Ocyan presents its performance according to the guidelines of the Global Reporting Initiative (GRI), in the Essential option of the GRI Standards. The company publishes its results annually, and the last document, with information from 2017, was published in May 2018. The content covers the period from January 1st to December 31st, 2018, in the economic, social and environmental areas, and covers the main aspects of operations, as well as the risks and opportunities mapped by the company and which are of interest to its shareholders and other stakeholders. [GRI 102-50, 102-51, 102-52, 102-54]

The contents were organized based on the correspondence between the six themes most relevant to the business, pointed out in a materiality study conducted in 2016, the ten principles of the Global Compact, an initiative of the United Nations (UN) that the company voluntarily supports, and the Sustainable Development Goals (SDG), which make up the UN Agenda 2030. These topics are detailed in the item Materiality Process, on pages 22 and 23.

The financial statements of Ocyan S.A. for the fiscal year ended December 31st, 2018 are presented in accordance with accounting practices adopted in Brazil, including the guidelines issued by the Brazilian Accounting Practice Committee (CPC), and the International Financial Reporting Standards Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and have been audited by independent auditors. The social and environmental data underwent internal verification. The survey of the standard contents, as well as complementary information, was under the responsibility of the Sustainability area. [GRI 102-56]

The consolidated financial statements, the relationship with the entities included in them and the external audit report are available for consultation on the company's corporate website (www.ocyan-sa.com, under Investors Relations tab). [GRI 102-45]

Portuguese and English versions of the document were printed, which are also available for download on the corporate website. Comments, suggestions, doubts or criticisms regarding this document or the activity of the company can be sent through the channel: www.ocyan-sa.com/fale-conosco. [GRI 102-53]



"In 2019, we will work even harder and focused on safety and operational performance, in order to honor our commitment to our investors and other stakeholders."

|GRI 102-14|

The year 2018 brought us important achievements and, with these, new challenges. After successfully completing the change of the brand and the financial restructuring process, at the beginning of the year, it was the time to return to the suppliers' register of Petrobras, our main client. The release represents a new cycle for our business, at a time when the oil and gas sector is growing again in the country. |GRI 102-10|

We keep investing strongly in compliance. Today, we have a much more robust and transparent system, which offers a set of measures designed to guide, prevent, detect, and interrupt irregularities, in a structured, continuous, and sustainable manner, within the best market practices. One of the highlights of the year was the signing of the Oil Industry Integrity Compact, designed by companies in the sector, with the support of the Brazilian Institute of Oil, Gas and Biofuels (IBP) and the Ethos Institute, which establishes ethical principles in the fight against corruption that must be respected in conducting business among the companies in the industry. Through the Compliance area, we were recognized with the Building Awareness Champion, an award granted by The IIA Global for the internal audit campaign carried out during the year.

Another achievement was the significant improvement, of more than eight points, in the company's image recovery, in a survey carried out by the Reputation Institute with the internal and external audiences.

We recorded the best EBITDA since 2015, of R\$ 1.75 billion, an increase of 17.9% in the year. From the viewpoint of operational performance, we ended 2018 with quite satisfactory numbers of the units, almost all above the average agreed

in the Action Program, and with recognition by the client. We completed the first year of operation of the FPSO Pioneiro de Libra, a joint venture with Teekay, with results that give us the certainty that this is a very promising business for the future of the company and in which we will be focused in the coming years. During this period, the vessel produced more than 58,000 barrels of oil equivalent per day from a single well, a milestone in the offshore industry. And the most important: with no records of accidents.

We have also improved health and safety indicators. We believe that there is still a lot to be done in this area and therefore we hired specialized companies to make a safety assessment of the vessels and, from there, to define more robust action plans for each unit. The focus will continue to be to ensure the health of our members and a safe and incident-free work environment, inalienable values for the company.

In the social area, we launched a new volunteer program, in partnership with the NGO Junior Achievement do Rio de Janeiro (JARJ), one of the largest social youth incentive organizations in the world. The objective is to encourage students to debate important topics such as ethics, citizenship, responsibility, life in society, the labor market, and the future. Only in 2018, the action impacted more than 1,100 young people and involved 75 volunteer members of the company.

We have also taken an important step in Innovation, with the creation of CompRiser®, a system of hybrid risers (ducts that connect platforms to the seabed) for use in the deepwater and ultra deepwater oil exploration industry. As a result of a partnership with Magma Global and

BrasFELS, the product uses 20% less of the load applied by the other solutions in the production units, representing a breakthrough in terms of efficiency and productivity gain. In addition, we have created a platform to encourage and support internal and external innovation initiatives, with a focus on increasing efficiency and improving the safety of operations and assets.

In 2019, we will work even harder and focused on safety and operational performance, in order to honor our commitment to our investors and other stakeholders. We will continue to look for opportunities to expand operations, both in Brazil and abroad, where there are good expectations for our business, also aiming at the development of new products and the diversification of services.

We emphasize once again the trust placed by our majority shareholder and the commitment and dedication of our members and other business partners. Without union, focus, and balance, we would not have been able to get here. We are ready to tread together this journey towards the new cycle of growth.

Thanks everyone.

Roberto Lopes Pontes Simões
President – Business Leader

INTEGRATED SOLUTIONS FOR THE UPSTREAM OIL AND GAS INDUSTRY

[GRI 102-2]



Offshore Maintenance and Services:

Maintenance solutions and specialized services, on demand, with assurance of safety, technical capacity, partnership, and financial sustainability.



Offshore Drilling:

Charter and operation of ultra deepwater rigs.



Subsea:

Charter, operation of pipe laying units, SURF projects, manufacture and installation of subsea equipment.



Offshore Production:

Charter and operation of floating production units (FPSO).

Ocyan is a private company, with 100% of its capital controlled by Odebrecht S.A. Operating in the upstream oil and gas market in Brazil and abroad, Ocyan maintains activities in the areas of chartering and offshore drilling; supply and installation of subsea infrastructure; chartering and operation of offshore production units; and offshore maintenance and services. Through a large experience and the use of new technologies, it offers to customers the provision of integrated services, from engineering design and management of offshore projects to the operation of rigs, always valuing the safety of its personnel and the operation and with a strict commitment to ethics and transparency.

[GRI 102-1, 102-5, 102-6]

With its administrative headquarters located in the city of Rio de Janeiro, the company maintains two Logistic Support bases: one in Macaé (RJ) and one in Itajaí (SC), as well as an office in Austria. Its assets are made up of six drilling units, being four drilling vessels and two semi-submersible platforms, in addition to two Floating Production Storage and Offloading (FPSO) platforms, and two Pipe Laying Support Vessels (PLSV). A team with technical expertise is available to meet, on demand, maintenance needs and specialized services for the upstream oil and gas industry in Brazil. [GRI 102-3, 102-4, 102-7]

At the end of year 2018, it had 2,295 effective employees. Its net revenue in the year registered a slight increase of 2.7%, reaching the amount of R\$ 2.85 billion. EBITDA totaled R\$ 1.75 billion, 17.9% more than in 2017 (R\$ 1.48 billion), with an EBITDA margin of 61.4% versus 53.5% in 2017. [GRI 102-7]

The oil and gas sector

The following aspects marked the performance in 2018:

- ▶ **Gradual resumption of the low cycle** – Need for absolute focus on performance by all companies in the oil and gas sector;

- ▶ **Brent between \$ 55 and \$ 90 per barrel (bbl) until 2021** – High implied a slow recovery of growth, lower than the dynamics registered between 2004 and 2014, with high profitability for oil companies;

- ▶ **Unbalance between supply and demand** – Excess capacity in most segments of the oil and gas industry production chain (except FPSOs). Indications of gradual improvement, mainly in 2020/2021;

- ▶ **Brazilian market:** A new opportunity for reopening of the market (legislation, success in the new pre-salt auctions with new players and divestments of Petrobras), but scenario still impacted by the reduction of Petrobras' five-year investment program (from US\$ 98 billion in 2016/2020 to US\$ 74.5 billion in 2018/2022);

- ▶ **International market:** Opportunities for chartering ultra deepwater drilling units and assessing the growth of other businesses as a result of new service contracts with international oil companies (IOCs) for Brazil, Mexico, and the African coast;

- ▶ **Structural impacts of the crisis** – Oil company/supplier relationship and ongoing review of business models. Changing the profile, behaviors and needs of customers.

Challenges of customers and suppliers:

- ▶ **Ensure the survival:** Even with oil price stabilization, there is still a need to adjust costs, seeking greater efficiency, as well as capital and financial disciplines;

- ▶ **Prepare growth conditions:** Adjustment of capital structure, preservation of business intelligence, search for members and partners for portfolio optimization, and review of service scope;

- ▶ **Drilling Market:** Without Petrobras boosting activity and new hiring, the drilling companies present in Brazil and abroad continue to operate in survival mode. Pulverization of this market requires consolidation, through mergers and acquisitions;

- ▶ **Innovation/technology:** Industry focus to reduce costs and improve operational safety, through increased automation or standardization and scanning projects.

Highlights of 2018

FINANCE

- ▶ **Deal of the Year:** award by Latin Lawyer, a vehicle that is a reference in business law, due to the financial restructuring carried out by the company.

BRAND

- ▶ Significant growth of **8.3 points in reputation** in 2018, reaching the Strong rating level, with 71.7 points, in a Reputation Institute survey.
- ▶ Launch of Ocyan on social networks **Facebook** and **Instagram** and re-launch on **LinkedIn**, as well as restructuring of the institutional site.

TECHNOLOGY & INNOVATION

- ▶ Release of the **Ocyan Waves** platform created to develop internal and external innovation initiatives.
- ▶ Development of an innovative riser tower system (**CompRiser**®), solution to interconnect a floating offshore production unit to a subsea system for productive purposes such as production, injection, and offloading.
- ▶ Deployment of **Ocyan Live**, an integrated monitoring system that sends data from the company's six drilling rigs in real time to the Drilling and Marine Operational Support Center (CSD), a modern intelligence and operations center of the Drilling Business Unit located in Macaé Base.

COMPLIANCE

- ▶ **Reactivation of registration** in the customer's contracting system, indicating that the company is fit, regarding the criteria of integrity and compliance, to participate again in Petrobras' bidding processes.
- ▶ **Building Awareness Champion:** International Award of the Internal Audit Awareness Month, in conjunction with the Institute of Internal Auditors of Brazil (IIA Brasil).
- ▶ Development of a **Compliance e-learning** for qualification and promotion of integrity among its stakeholders, available for registration (<http://www.ocyan-sa.com/pt-br/forneceadores>).
- ▶ Development of **digital totems:** self-service terminals to facilitate communication with the offshore audience.
- ▶ Approval and publication of the **Corporate Risk Management Policy** and creation of the **Risk Committee**.
- ▶ Signing of the **Oil, Gas and Biofuel Industry Integrity Compact**, designed by 14 relevant companies of the sector, with the support of IBP and Ethos Institute.
- ▶ **Compliance on Top:** recognition of Ocyan's Chief Compliance Officer (CCO) in a survey conducted by professionals in the field as one of the 20 most admired and respected compliance professionals in Brazil.

OPERATIONAL

Offshore Drilling:

- ▶ Norbe IX completed more than four years without a lost-time accident.
- ▶ Unprecedented achievement of the Integrated Certification ISO 9001/14001 and OHSAS 18001.
- ▶ Delbe III, Norbe IX, Norbe VIII and Norbe VI ODN drilling units were awarded in the Safety Award Ceremony, the annual event of the International Association of Drilling Contractors (IADC).

Offshore Maintenance and Services:

- ▶ **Rigs:** implementation of the Rig Integrity Plan (Preservation and Painting) with formal customer recognition.
- ▶ **PetroRio:** closure of the contract without any incident, demobilizing all personnel and material in safety.
- ▶ **Petrobras:** realization of two production shutdowns, without occurrence of accident and execution of the demands in accordance with the planned schedule.
- ▶ Creation of Se Liga Program, initiative to promote the safety of offshore employees.

Offshore Production:

- ▶ Stabilization of the operation of the FPSO Pioneiro de Libra, with 97.9% of economic uptime and 446 days without lost-time accidents.

Subsea:

- ▶ Average economic uptime of the two vessels of 99.4%.
- ▶ No accident recordable on both vessels.
- ▶ TOP Estrela do Mar wins 1st place in Petrobras ranking of operational performance.

SUPPLY

- ▶ Application of 787 performance assessments for service provision, for a total of 174 different suppliers onboard the rigs.

PEOPLE

- ▶ Increased adherence to the Private Pension Plan (Odeprev), which went from 38% to 62% of the total eligible members.
- ▶ **Implementation of the Best Practice Program** focused on promoting the health and well-being of its employees.
- ▶ Hiring of 28 new trainees through the Internship Program, the main entrance to Ocyan for young people in line with the company's culture and growth potential, who are prepared to be future employees.

CUSTOMERS

- ▶ Return to the registry of suppliers of Petrobras, through the release of precautionary measures.

SOCIETY

- ▶ More than **1,700 students, children and young people** benefited by the social initiatives of the School in Action Program.
- ▶ New **Volunteer Program**, with the support of the partnership signed with the NGO Junior Achievement do Rio de Janeiro, to dialogue with young people and adolescents of state schools of Rio and Macaé, through initiatives focused on youth entrepreneurship. The program was attended by 75 volunteer members.
- ▶ Launching of the **Youth Mentoring (Mentoria Jovem) Project** in partnership with engineering students from the Federal University of Rio de Janeiro (UFRJ-Macaé) and the Engineering and Subsea teams of the Drilling Business Unit, aiming at the scientific and technological development of young people from surrounding communities.

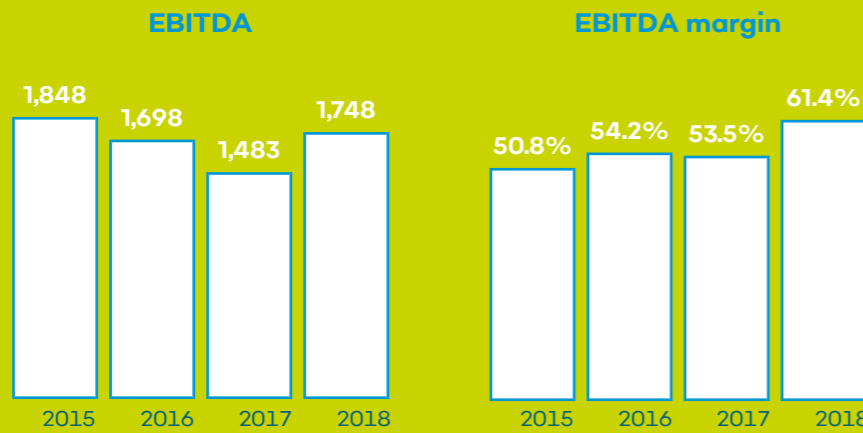
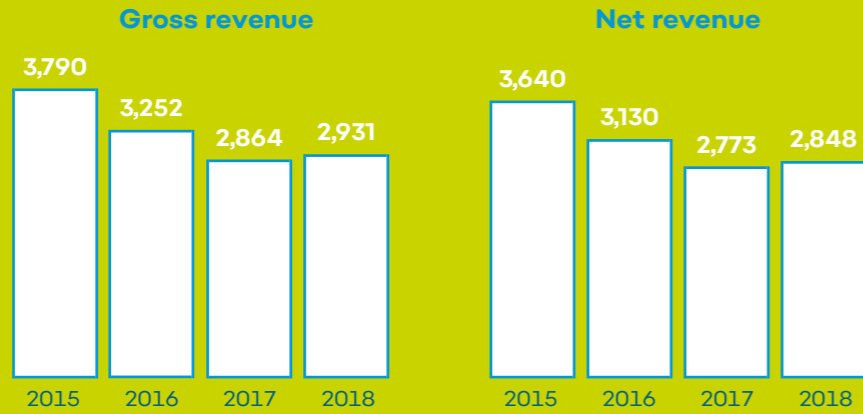


Main indicators

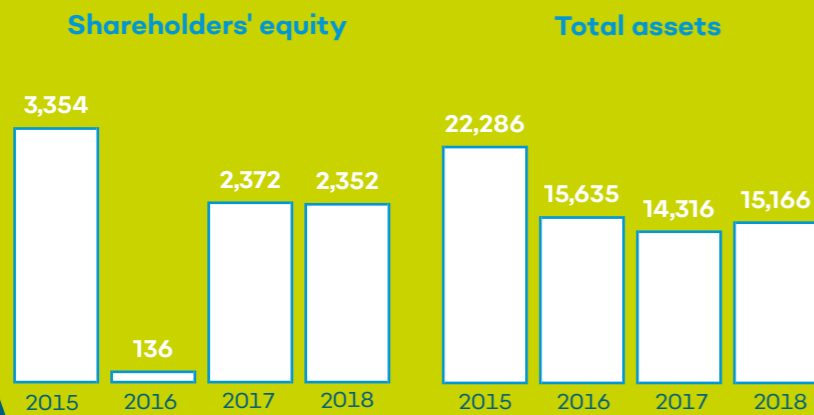
[GRI 102-7]



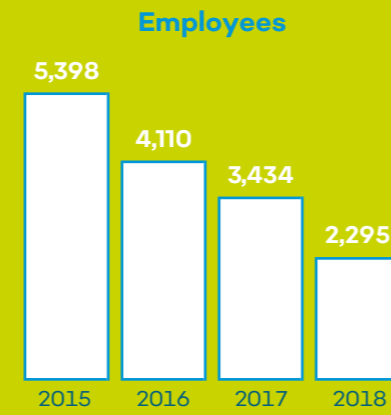
REVENUE (R\$ million)



FINANCE



PEOPLE





Committed to continuous improvement of its business, Ocyan adopts best governance practices to ensure transparency, fairness, accountability and corporate liability. These principles are considered fundamental for the achievement of results that maximize the creation of value and the harmonization of interests of customers and other stakeholders.

The company follows the guidelines defined by the parent company, Odebrecht S.A., and the policies that support its business, including the Governance Policy, the Code of Conduct and Policy on Compliance with Ethical, Upstanding and Transparent Operation. (available at the company's institutional website: www.ocyan-sa.com/pt-br/conformidade). **|GRI 102-16|**

Governance structure

|GRI 102-18|

Ocyan's governance structure consists of the Board of Directors (BD) and three permanent advisory committees of the Board of Directors – (I) Finance and Investment Committee; (II) Culture, People Communication and Sustainability Committee; and (III) Compliance and Auditing Committee – and the Executive Board. According to their competence and level of authority, these management bodies make decisions aiming at sustainability and business continuity.

It is the responsibility of the Board of Directors – the highest governance body – to direct, guide, and approve the business in relation to economic, social, and environmental topics, establishing strategic guidelines that will be executed by the Board. The body is also responsible for electing the members of the Executive Board and for monitoring and appraising the performance of the Business Leader. In 2018, it was made up by eight acting members – all appointed by the sole shareholder, Odebrecht S.A. –, and three of them are independent directors. None holds an executive position (including the president of BD) and the term of office is two years, with possibility of reelection (limited to four consecutive terms). During the year 2018, the board met six times a year and the Executive Board at least twice a month. **|GRI 102-19, 102-23, 102-26|**

Compliance

|GRI 103-1, 103-2, 103-3, 205-2|

Committed to continuous improvement, Ocyan seeks to adopt the highest standards and best market practices, taking into account applicable national and international laws.

Throughout 2018, it consolidated its compliance system, reinforcing concepts and guidelines described in the Compliance Policy and in the guidelines and procedures that support it, through communication and training plans, elaborated and applied to all employees, including offshore teams, having the appropriate content according to the identified risk of each audience.

The pursuit of the Compliance area for excellence and alignment with the business strategy resulted in the implementation of innovative solutions, such as the digital totem (self-service terminals scattered through the assets) in order to reach the offshore audience and enable real-time access to information in an interactive manner.

Likewise, a digital compliance and anti-corruption training platform was developed for suppliers, service providers, and other partners, seeking to guide them in relation to the behavior expected by Ocyan in the scope of business relationship with the company. The e-learning for third parties comprises the due diligence process of integrity, which assesses the risks of third-party companies prior to their contracting and is available to the external audience in the institutional site, through the access login request (<http://www.ocyan-sa.com/pt-br/forneceadores>).



Additionally, in addition to the United Nations Global Compact and the Ethos Institute Business Compact, signed in 2016, Ocyan strengthened its commitment to fighting corruption through membership in important collective actions, such as the **Business Action for Integrity and Transparency**, promoted by the Ethos Institute.

It is also part of the **Oil, Gas and Biofuel Industry Integrity Compact**, an initiative designed by 14 relevant companies of the sector, including Ocyan. With the support of the Brazilian Institute of Oil, Gas and Biofuels (IBP), it establishes ethical principles that must be respected in conducting business among the companies in the industry in the fight against corruption. **[GRI 205-1]**

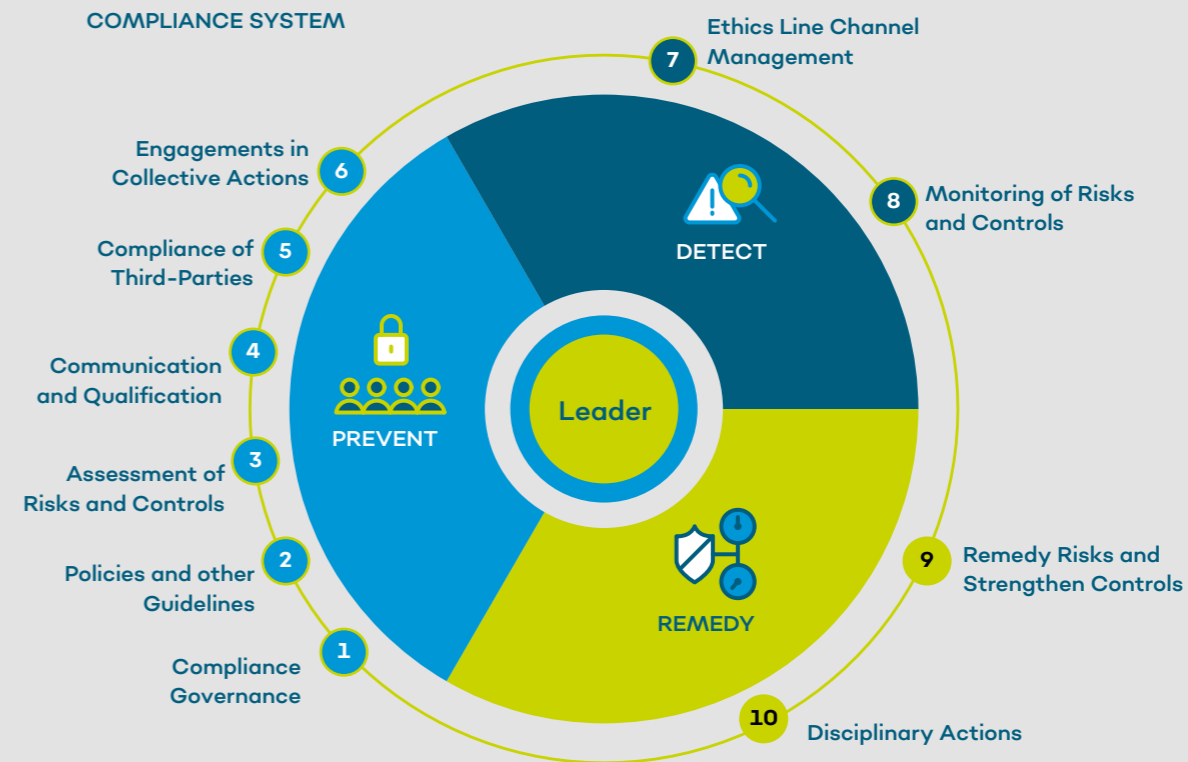
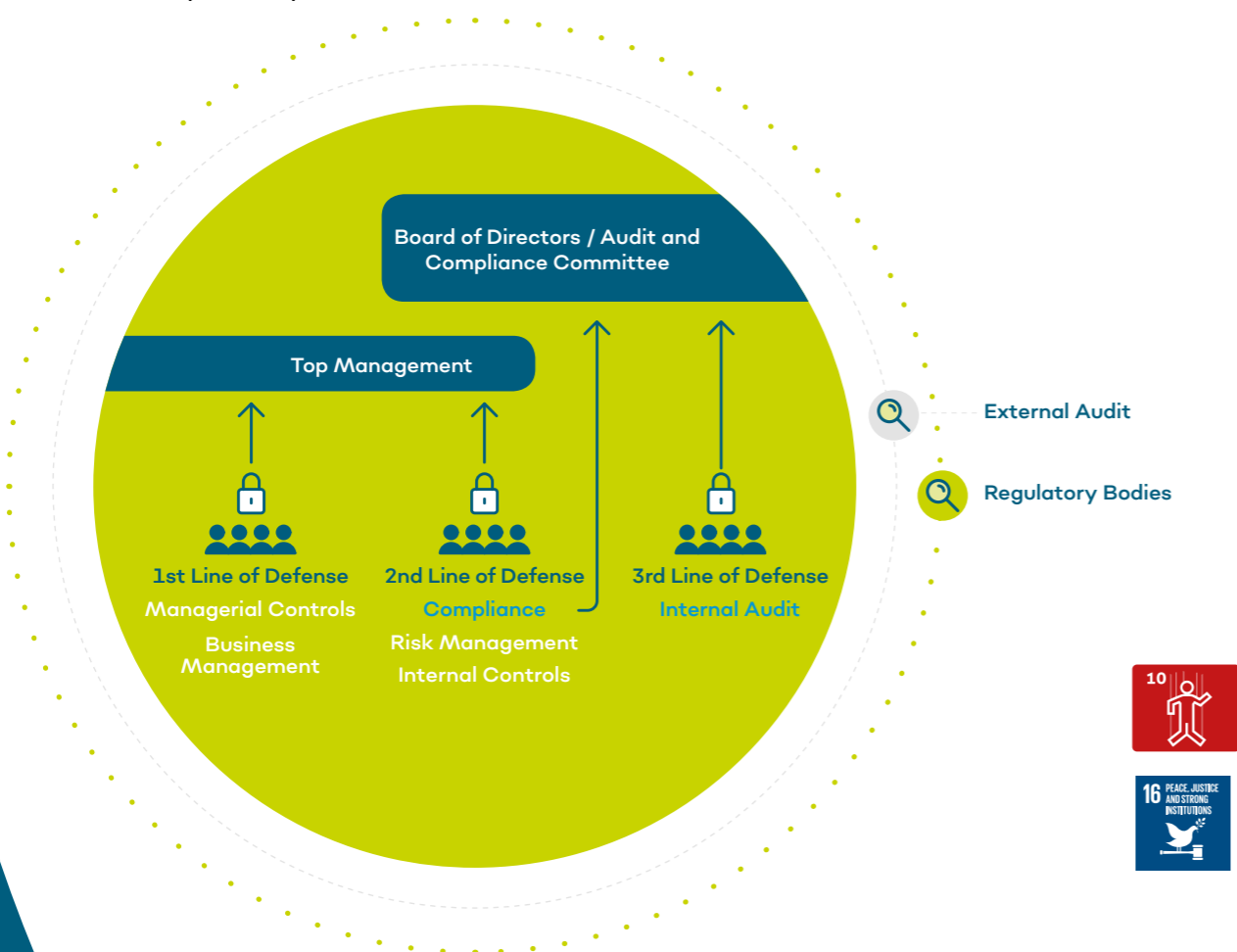
The company forbids the granting of donations or sponsorships that benefit, directly or indirectly, political parties, politicians, or candidates for political office. An employee who, in the exercise of his or her citizenship, makes a political contribution under local law, shall communicate the fact to the Compliance area and declare that his or her donation is not related to Ocyan. In 2018 no such contributions were made. **[GRI 415-1]**

Although religious institutions may receive donations from Ocyan, it is forbidden to grant benefits directly related to missionary activities (evangelization and catechesis) of any religion. Donations to unions or entities controlled by them are also forbidden. With the employers' unions, Ocyan maintains an associate's relationship, making payment of compulsory contribution, as provided by law.

Internal Audit

Ocyan's Compliance System also has the Internal Audit area, an independent and objective assessment and consulting activity, which aims to help the company achieve its objectives through a systematic and disciplined approach in order to evaluate and improve the efficiency of risk management, internal controls, and governance processes.

In 2018, the Internal Audit, which reports functionally to the Audit and Compliance Committee of the Board of Directors, completed its second cycle of audits, in accordance with the annual plan prepared, based on a multidimensional universe of risks approved by the Board of Directors.



NUMBERS OF THE COMPLIANCE SYSTEM IN 2018

- 3 (37%)** independent directors in the Board of Directors
- R\$ 4.2 million** of budget, **26%** higher than in 2017
- R\$ 1.0 million** of savings with internal initiatives
- 100%** of employees qualified in compliance topics
- 24%** reports voluntarily identified in the Ethics Line
- 8** dedicated members
- 20** Ethics Agents
- 9** guidelines and quick-reference guides
- 97%** of suppliers assessed in the Integrity Due Diligence process
- 253** action plans resulting from **7** reports from Internal Audit

RECOGNITION

Ocyan has been awarded with the **Building Awareness Champion** – an International Award of the Internal Audit Awareness Month, in conjunction with the Institute of Internal Auditors of Brazil (IIA Brasil), the largest global representative of professional internal auditors. The recognition was granted due to the internal audit campaign carried out by the company during the month of May, which included lectures and internal communications to the employees.

The awards are part of an annual program promoted by The IIA worldwide. The choice of Ocyan is the result of the work carried out by the Internal Audit team with the support of several other areas of the company.

The award contributes to the positive exposure of the brand, in addition to demonstrating to the market the evolution of the company accordingly.

ETHICS LINE CHANNEL

[GRI 103-2, 103-3, 102-17]

The Ethics Line Channel is an exclusive and confidential tool for safe communication of behaviors that breach Ocyan's Code of Conduct or any policy, guideline, internal regulation or laws in force. The registered information is received by an independent and specialized company, which ensures the anonymity, absolute confidentiality, and non-retaliation against the complainant. After a first analysis, the operator sends the complaint directly to the Compliance area, where the facts reported are duly verified.

The Channel is accessed by the website (www.linhadeeticaocyan.com.br) ou by calling 0800 377 8020, 24 hours a day and in Portuguese and English languages. For international calls, the number +55 11 2739-0985 is available (collect calls are allowed). The number of contacts registered by the Ethics Line Channel grew by 60% in 2018, from 87 to 139 reports. Among these, 59 cases were investigated, of which 25 were considered as appropriate (42%) and 34 were unfounded (58%). No case of corruption was determined. [GRI 205-3]

Other internal and external mechanisms of communication and interaction are maintained so that the various publics can seek guidance and advice on ethical and legal behavior, as well as issues related to organizational integrity, as well as reporting concerns and complaints about unethical practices are: the Compliance area e-mail (conformidade@ocyan-sa.com); Ocyan Portal (intranet); corporate website (<http://www.ocyan-sa.com/pt-br/conformidade>); and the Ethics Committee, composed of four directors of the Board of Directors and coordinated by the Compliance director or the 20 ethics agents spread through Ocyan. On the institutional site, there is also the option Contact Us, through which you can contact Ocyan to submit suggestions, questions, complaints, or criticisms.

Risk management

[GRI 103-1, 103-2, 103-3, 102-15]

Ocyan recognizes that risk management is directly related to quality of delivery, sustainable growth, results generation and value creation, supporting decision-making to achieve business objectives.

The risks process is established through the Risk Management Policy, which aims to guide and support the achievement of the objectives, in accordance with the strategies for mitigating potential events that may affect Ocyan in the management of its risks, in a manner compatible with decision-making capacity, appetite, and tolerance, as well as strengthening the risk management culture of the company and its controlled companies.

Through risk management, Ocyan hopes to ensure that decision-makers at all levels have timely access to sufficient information on the risks to which it is exposed. In this way, it increases the probability of reaching its objectives and reduces risks to acceptable levels, thus preserving shareholders' tangible and intangible assets, the safety of people, and the integrity of the environment and communities.

The risk management process is part of the PA cycle, and the priorities and goals resulting from this process are included in the Action Program (PA) of the Business Leaders and of other leaders in Ocyan and its controlled companies.

The company maintains a series of management measures to ensure, along with the audits, certifications and training applied, that the Precautionary Principle is adhered to in all its operations. This principle provides a guarantee against potential risks which, according to the current state of knowledge, cannot yet be identified. [GRI 102-11]



Risk policy

Continuing the implementation process of the Compliance System, the Policy on Risk Management was approved and implemented in 2018. The document covers the establishment of a context, identification, assessment, prioritization, treatment, communication, and monitoring of the risks of the business activity.

As a strategic definition of this policy, the Risk Management Group was created, with the participation of professionals from the corporate, financial, insurance and internal audit lines. Coordinated by one of Ocyan's superintendent directors, the group responds directly to the Business Leader (LN) and is responsible for coordinating the activities of the risk management process, monitoring the evolution of corporate risk mapped with the support of specialized team, following the consolidated risk matrix, based on the identification, analysis, and consolidation of information in four areas of concentration: Strategic,

Financial, Occupational, and Compliance, having as criteria for risk prioritization the metrics for frequency and impact (occupational, environmental, operational, image, and financial).

Throughout the year, under the coordination of the Risk Management Group, a project risk assessment was also implemented in a structured manner, making it obligatory for all areas to submit new projects to the Group and to the LN in order to carry out a risk assessment prior to the submission of proposals.

In 2019, work will continue to monitor corporate risks for the Drilling Business Unit, with methodological references to ABNT NBR ISO 31000: 2009/2018 and Coso - Enterprise Risk Management 2004/2017, considering external information, internal reports, history of previous evaluations and the work that was prepared in 2017 for Ocyan.



Business orientation
Innovation
Sustainability management



Focus of action in 2019

- ▶ Operational safety
- ▶ Operational performance
- ▶ Commitment with the bondholders
- ▶ Commitment with the shareholder
- ▶ Innovation
- ▶ Recovery of image

Business orientation

[GRI 103-1, 103-2, 103-3]

Ocyan is a company with a sustainable attitude and knowledge to provide solutions for the upstream oil and gas industry in Brazil and abroad. Its main values, in line with its shareholder, are the safety of its employees, the operation, and the entire environment, a commitment to ethics and transparency, and a partnership of trust with customers.

Its proposal is to offer complete solutions for the industry and to add value to its business, through the provision of services from design engineering and offshore project management to the operation of platforms, combining experience, the use of state-of-the-art technologies, and professional excellence. For Ocyan, the key to this success is focused on the knowledge and focused work of its employees and the constant search for synergy between its areas of operation.

In recent years, Ocyan has been focusing its strategy on diversifying its client portfolio and developing new services. The change of the brand, which took place in early 2018, launched a new outlook at the business, bringing more dynamism and confidence to operations, as well as recovering the pride of belonging among its employees.

In addition to seeking new business opportunities in Brazil, including with international companies that are starting to operate in the country, Ocyan is also taking a very cautious approach to the geographical expansion of its operations, with the intention of medium- and long-term growth.

Strategic vision

Sustainability

- ▶ To ensure sustainability as an inalienable value, seeking to eliminate the occurrence of serious incidents, reinforcing zero tolerance to risk situations to operations, people, and the environment;
- ▶ To ensure continuous investment in social responsibility that promotes income generation, education, and social inclusion, strengthening and expanding actions in the communities where the company operates.

Compliance

- ▶ To permeate throughout the value chain of the company the practice of compliance system with ethical, upstanding and transparent operation, ensuring the engagement of the leadership, Ethics Agents, and other employees for continuous improvement;
- ▶ To work with a high standard of governance and compliance and demonstrate the evolution of the compliance program for the various stakeholders, especially financial institutions, recovering the market recognition.

Risk management

- ▶ In line with the Risk Policy, to follow the Corporate Risk Management Program, in addition to taking it to the business units, in order to map the specific risks and mitigate them to acceptable levels;
- ▶ To evaluate the risks of the new projects and revisit the risk analysis of the current projects, monitoring the evolution of the treatment plans.

Finance

- ▶ To promote the continuous increase of competitiveness, with greater productivity, SSTMA management, as factors of differentiation;
- ▶ Excellence in contractual management with customers, suppliers, and partners, prioritizing cash generation and the internal result, contributing to business profitability.

Innovation

- ▶ To structure and implement the open innovation program, developing and incorporating new technologies, as well as connecting Ocyan to the start-up's ecosystem, aiming at improving performance and operational safety, creating value for the company.

Business

- ▶ To ensure the performance of Drilling rigs, generating the results assumed in the financial restructuring and the commitments with the shareholder;
- ▶ To seek growth by prioritizing the acquisition of new customers and services, as well as new ways of hiring and forming partnerships that promote adequate capital structure for the Offshore Production business.

Image and People

- ▶ To continue the fulfillment of the communication plan, through internal and external actions and leadership engagement, strengthening the new brand and recovering the image before the stakeholders;
- ▶ To recover the confidence of the employees and the feeling of pride and belonging;
- ▶ To implement diversity actions, encouraging an inclusive, non-discriminatory and meritocratic work environment, with respect to human rights and differences between people.

Goals for the three-year period

- ▶ To consolidate itself as a service provider of Drilling, Subsea Construction, Oil Production, Maintenance (onshore and offshore) of qualified services, operating in Brazil and abroad, focusing on customer diversification, operational excellence, financial health, and adequate risk management, resulting in an attractive return that allows developing necessary partnerships and capital structure appropriate for its growth, both in Ocyan consolidator and in business;
- ▶ Recover employees' pride of belonging and the trust and positive image in the market (customers, members, partners, suppliers and financial institutions) through best practices of governance, compliance, and sustainability;
- ▶ Remunerate part of the capital invested within the agreed conditions and create value for the shareholder.

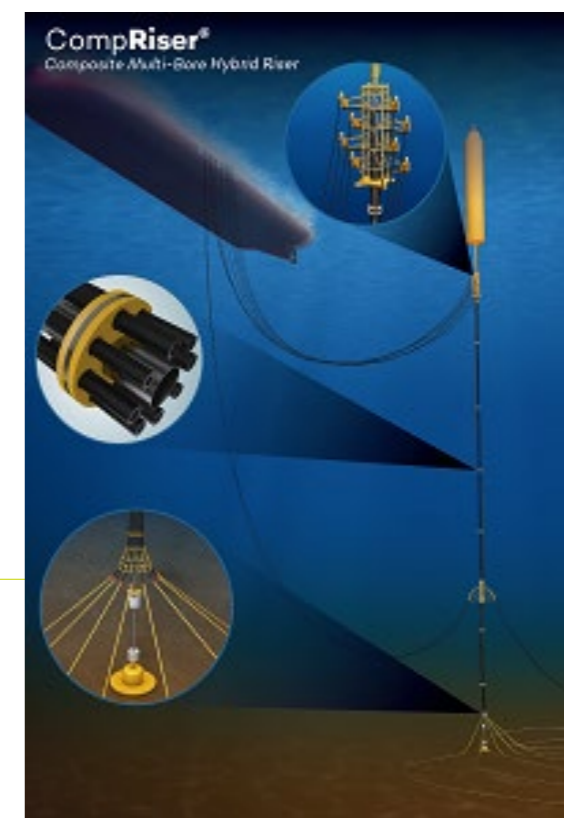
Innovation

The innovation topic gained prominence in Ocyan's corporate strategy. The company understands that the future pass through new technologies that bring diversification of portfolio and improvement of efficiency and performance.

In this way, in 2018, new opportunities in the offer of services were structured to seek the understanding of the current demands of innovation in the oil industry in the domestic and foreign markets, such as:

COMPRISER®

Partnership executed between companies Ocyan, Magma and BrasFELS for the production and commercialization of the **CompRiser®** solution, a hybrid riser tower system using composite material. Development, which involves innovation and technology, will provide benefits to operators in the sector – such as easy assembling, high corrosion resistance, reduction in weight, and the possibility of withstanding high temperature and pressure. The concept has been validated by a specialized company and is already being presented to potential customers. As a decoupled solution, the Composite Multi-Bore Hybrid Riser (CMHR) applies 20% less than the existing load by other solutions, resulting in a difference of up to 9,000 tons per FPSO. The expectation of new business is positive, as there is a constant demand for the reduction of weight and load in the operation of the FPSOs. In addition to the Brazilian market, there are good opportunities to apply this technology in West Africa and the Gulf of Mexico.



OCYAN WAVES

Ocyan Waves is a platform created by the company to encourage and support internal and external innovation initiatives to improve its operations. Its focus is on increased efficiency, improved safety, support for the start-ups ecosystem and a direct contribution to the new generation of suppliers in the oil and gas industry in Brazil. **Ocyan Waves Challenge** is the platform's first program and registration will be opened for Brazilian startups to present innovative solutions for the company.

Sustainability management

The company has a defined governance structure in the area of corporate and local sustainability, including the support of a permanent committee, in order to incorporate best practices in financial, social and environmental, and good governance responsibility.

For Ocyan, sustainability is an inalienable value. Its commitment is to act in accordance with its Sustainability Policy, assuring the upstanding, ethical, transparent and responsible conduction of its business, identifying and mitigating risks, improving the management of processes and competencies at all levels, in search of operational excellence.

This commitment is based on the Sustainability Management Principles:

- ▶ To ensure compliance with legal and regulatory requirements and other requirements applicable to processes;
- ▶ To meet the expectations of customers, shareholders, investors, members, creditors, employees, and partners;
- ▶ To manage risks inherent to processes, identifying, evaluating and controlling them in order to prevent and minimize their effects;
- ▶ To develop a sustainable safety culture, with a focus on human behavior management;
- ▶ To promote the continuous improvement of performance in quality, health, safety, and environment;
- ▶ To maintain social dialogue and interaction with internal and external stakeholders to business;

- ▶ To act preventively:
 - ▶ In the health and safety of people, processes, information, and assets, ensuring a safe, healthy, and motivating work environment;
 - ▶ In environmental aspects and the rational use of natural resources, ensuring that services contribute to sustainable development;
 - ▶ In the quality of services;
 - ▶ In the integrity of assets.

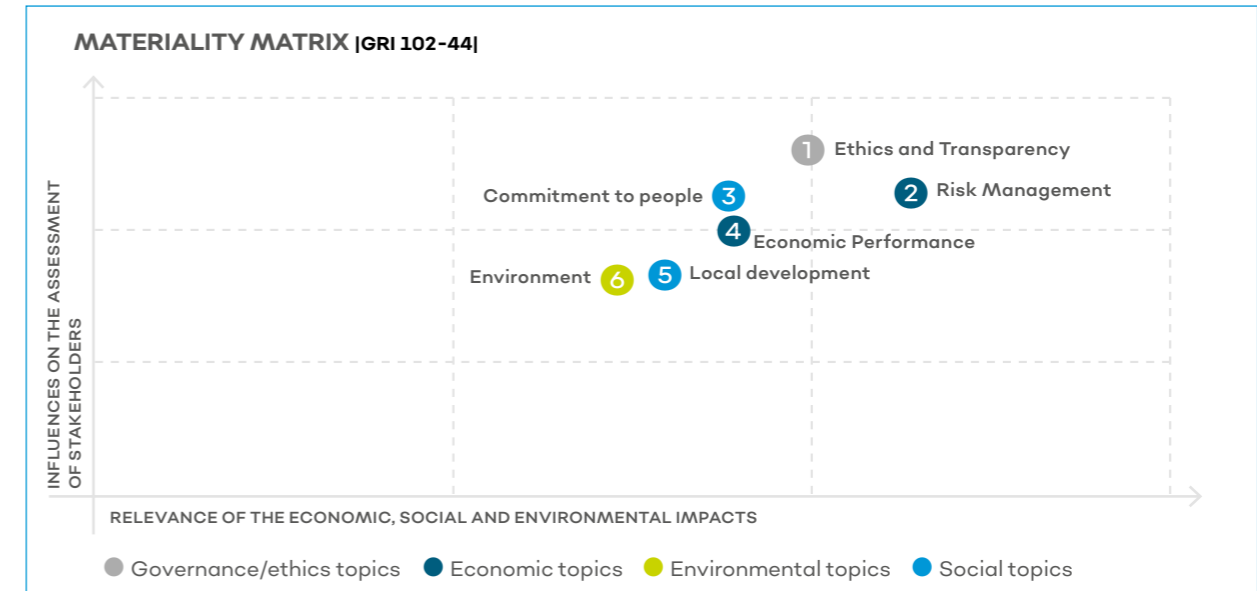
These principles represent the commitment of all members or those acting on behalf of the company in a practice that adds value to the business. (More information on this document or on Sustainability Management at Ocyan is available on the webpage <http://www.ocyan-sa.com/pt-br/sustentabilidade>).

Materiality process

[GRI 102-46]

Ocyan manages sustainability from the priority topics of the sector and together with its main stakeholders: employees, local communities, shareholders, customers, suppliers, financial agents, government, and regulatory bodies. These audiences were prioritized based on the materiality and the evaluation of the impacts caused by the company and on the influence, they have on the decisions or the value of the company. [GRI 102-40, 102-42]

In order to define the relevance matrix, a consultation process was carried out in 2016, involving the members of the Board of Directors and the main leaders of the company, including the Business Leader, and it was divided into five steps:



Step 1 – Prior identification of material topics, based on:

- ▶ Ocyan strategy (growth/vision of future)
- ▶ Topics considered relevant by the controlling shareholder Odebrecht S.A.
- ▶ Topics prioritized in a previous materiality process, carried out in 2013
- ▶ Topics considered material by customers of the company and presented in their sustainability reports
- ▶ Outstanding issues for the oil and gas sector in the Sustainability Topics survey – What the Stakeholders Want to Know, from GRI
- ▶ Press releases about the industry and the company
- ▶ Correlation of topics with the Global Compact, an initiative of which Ocyan is a signatory
- ▶ Context of sustainability (country and sector)

Step 2 – Selection of topics grouped in four dimensions:

- ▶ Governance/Ethics
- ▶ Economic
- ▶ Social
- ▶ Environmental

Step 3 – Consultation with business leaders who highlighted three aspects:

- ▶ Probability of occurrence of risks to value addition
- ▶ Economic impact on value addition

- ▶ Influence on the perception of stakeholders (topics on which they decide on their relationship with the company)

Step 4 – Prioritization on six major topics and 26 topics:

- ▶ Ethics and transparency
- ▶ Risk management
- ▶ Commitment to people
- ▶ Economic performance
- ▶ Environment
- ▶ Local development

Step 5 – Preparation of the materiality matrix

- ▶ Horizontal axis presents the company's vision, about the importance of the impacts
- ▶ Vertical axis represents the influence on stakeholder assessment

Relevant topics [GRI 102-44]

The themes considered of greater relevance for society and for the business were: Ethics and Transparency; Risk Management; Commitment to People; Economic Performance; Environment; and Local Development. For each of them, the company established goals and targets to be met in the short, medium and long term. The matrix below was built based on the Global Reporting Initiative (GRI) guidelines and the application of the AccountAbility AA1000 standard.

| MATERIAL TOPICS AND LIMITS | | | | |
|--------------------------------|--|----------------------------|--|---|
| Topic | GRI Topic [GRI 102-47] | Internal limit [GRI 103-1] | External limit [GRI 103-1] | Related contents GRI Standards |
| Ethics and Transparency | Anticorruption | All operations | Shareholders, customers, government, creditors, suppliers, communities | 102-16, 102-17, 205-1, 205-2, 205-3 |
| | Compliance | All operations | Shareholders, suppliers | 307-1, 419-1 |
| | Unfair competition | All operations | Competitors | 206-1 |
| | Public policies | All operations | Shareholders, customers, government, suppliers, communities | 415-1 |
| Risk Management | Risk management | All operations | Shareholders, customers, government, suppliers, communities | 102-15 |
| | Preparing for emergencies | All operations | Customers, suppliers, communities | 102-15 |
| Commitment to people | Occupational health and safety | All operations | Suppliers | 403-1 a 403-10 |
| | Human rights (discrimination, freedom of association, child labor, forced labor) | All operations | Customers, suppliers, communities | 406-1, 407-1, 4081, 409-1 |
| | Training and education | All operations | Suppliers | 404-1, 404-2, 404-3 |
| | Diversity and Equal opportunities | All operations | Suppliers, communities | 405-1, 405-2 |
| Economic Performance | Economic performance | All operations | Shareholders, customers, government, creditors, suppliers | 201-1, 201-2, 201-3, 201-4 |
| | Climate changes | All operations | Suppliers, communities | 201-2 |
| | Innovation | All operations | Customers, suppliers | - |
| Environment | Waste/Leakages | All operations | Suppliers | 306-2, HRI 306-3, 306-4, 306-5 |
| | Effluents – water pollution | All operations | Suppliers | 306-1 |
| | Emissions | All operations | Suppliers | 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7 |
| | Water | All operations | Suppliers | 303-1, 303-2, 303-3 |
| | Energy | All operations | Suppliers | 302-1, 302-2, 302-3, 302-4, 302-5 |
| Local development | Procurement practices | All operations | Suppliers, communities, government | 204-1 |
| | Socio-environmental assessment of suppliers | All operations | Suppliers, communities, government | 308-1, 308-2, 414-1, 414-2 |
| | Indirect economic impacts | All operations | Suppliers, communities | 203-1, 203-2 |
| | Local communities | All operations | Suppliers, communities | 413-1, 413-2 |

External initiatives [GRI 102-12]

Once again demonstrating its commitment to ethics, in July 2018, Ocyan adhered to the Business Action for Integrity and Transparency Commitment Letter, promoted by Ethos Institute, which focuses on strengthening prevention and fighting corruption in the country.

The initiative involved the study of the National Integrity System – Brazil, led by Ethos, which identified improvements and setbacks in the country's laws and regulations between 2000 and 2015, with the participation of NGO Transparência Internacional and the Law School of FGV RJ and SP. The commitments and proposals of the Action will be pursued

by the signatory companies and represent an important advance in the integrity agenda of the country and an evolution of the culture of compliance in the business environment.

Ocyan also participates in other external initiatives for sustainability. These include: the UN Global Compact, in which it participates in Human Rights and Integrity committees; Ethos Institute's Integrity and Anti-Corruption Business Pact; the Compliance Committee of the Brazilian Institute of Petroleum, Gas and Biofuels (IBP); and the Open Letter to Brazil on Climate Change, coordinated by the Ethos Institute and the Business Forum on Climate Change.

PARTICIPATION IN ASSOCIATIONS [GRI 102-13]

| Entidade | Projeto/comitê | Participação |
|--|---|---|
| Brazilian Association of Petroleum Service Companies (Abespetro) | QHSE Committee Coordination | It is part of the leadership that prepares the NR together with Petrobras and the MT. |
| | Local Content Committee | Discusses initiatives in the sector. |
| | Technical Group of FPSO | Discusses initiatives in the sector. |
| American Chamber of Commerce of Rio de Janeiro (AMCHAM) | Oil and Gas Committee | Discusses initiatives in the sector. |
| International Association of Drilling Contractors (IADC) | Technical Committee of the sector and SSTMA | Discusses initiatives in the sector. |
| Brazilian Institute of Petroleum, Gas and Biofuels (IBP) | HSE Committee | Discusses initiatives in the sector. |
| | Social Responsibility Committee | Supports RS activities and works with other companies in the sector. |
| | Human Resources Committee | Discusses laws and initiatives and exchanges experience with other companies in the industry. |
| | Compliance Committee | Develops sector-specific pact to fight corruption. |
| Ethos Institute | Compliance Indicators | Monitoring of performance indicators. |

Communication

The Communication area is responsible, among other attributions, for managing the image and the reputation of the company. In 2017, Ocyan underwent a major process of brand change, approved and put into practice in early 2018. Since then, a series of initiatives has been adopted to bring this new reality to the company's various stakeholders, in order to promote an integrated (external and internal), simultaneous and transparent communication.

Initiatives of the Communication area in 2018

- ▶ Rating A of press visibility in the accumulated of the year;
- ▶ 21 internal campaigns;
- ▶ Breakfast with the Business Leader
- ▶ Expansion of the *Radar Ocyan* bulletin for six rigs and Ocyan TV for the Offshore Maintenance and Services base: 20 boards and 19 screens;
- ▶ Launch of Ocyan in Facebook and Instagram and re-launch on LinkedIn;
- ▶ Redesign and launch of the new institutional site, with a 76.1% increase in the number of users and a 66.4% increase in page views;
- ▶ Digital Marketing Campaign: 3,400 prints and 20,700 clicks on the website;
- ▶ Participation in congresses and events in the sector: FPSO Congress and Rio Oil & Gas, the latter with an approximate audience of 40,000 people;
- ▶ Brazil Energy (*Brasil Energia*) advertising campaign: announcements in *TN Petróleo*, Upstream and *Portos & Navios* vehicles, with an average reach of 180,000 people;
- ▶ Training of leaders and influencers in communication: 94 brand ambassadors;
- ▶ Institutional relations: strengthening the relationship with the functional areas (Communication) of partner institutions, among them Petrobras, Magma and Keppel.

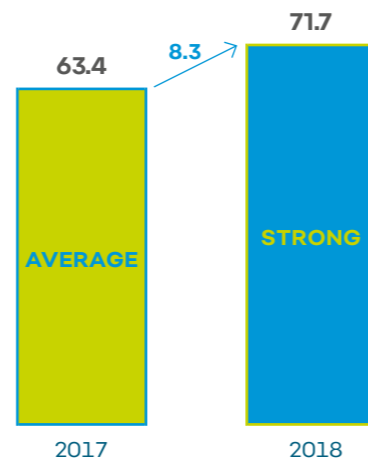
Reputation survey

As a result of this work and a series of governance and compliance actions implemented over the last two years, Ocyan's internal reputation grew by 8.3 points, from 63.4 (average) in 2017 to 71.7 in 2018, reaching the strong level, in the classification of the Reputation Institute, international consultancy that performs studies on the reputation of big companies.

The survey took into account the opinion of the members in all business units, demonstrating a growing recovery of the pride of belonging to the company. Among the dimensions assessed, Governance was the one that obtained greater relevance in the view of this audience.

The Reputation Institute also heard the external audience (financial market, customers, press, and institutions and associations). Although less marked than the internal audience, Ocyan's reputation has generally improved to the mid-range. The customer and financial market segments were the highlights for the change of range. The change of the brand was one of the relevant factors to impact this result. Of 40 items evaluated in the research, 31 presented evolution, 9 remained stable and none fell.

OCYAN REPUTATION (in points)



RELATIONSHIP WITH STAKEHOLDERS | GRI 102-40, 102-43|

| Stakeholder | Communication channel |
|---|---|
| Customers | Meetings, forums and industry meetings Institutional Site Performance Assessment Report (BAD): issued at frequencies and weights that vary according to the scope of each contract, the document evaluates equipment and materials; human resources; facilities and effectiveness |
| Employees | Permanent dialogue between leader and led parties Ocyan Portal (Intranet) Radar Ocyan (board) TV Ocyan Internal Communications Ocyan Informs (e-mail) Facebook Instagram LinkedIn |
| Employees hired from third parties | Daily safety dialogues and managers of contractor teams in onshore and offshore operations Facebook Instagram LinkedIn |
| Suppliers | Meetings Business events Institutional Site Supplier website |
| Shareholders and investors (banks, financial agents) | Meetings Events Telephone contacts Institutional site |
| Local communities (associations, leaderships) | Meetings in communities Social projects supported Institutional site Facebook Instagram LinkedIn |
| Government | Meetings Participation in public hearings Institutional site |
| Regulatory bodies | Meetings Institutional site |
| Press/media | Meetings Institutional Site (Press Room) Facebook Instagram LinkedIn |



ECONOMIC UPTIME

OFFSHORE DRILLING

In 2018, the average economic uptime of all rigs (operational availability versus the daily rate), excluding the effects of scheduled shutdowns, was **96.4%** (target agreed to 96.5%).

OFFSHORE PRODUCTION

In 2018, the average economic uptime of the FPSO Cidade de Itajaí was **99.1%**, compared to the PA of 98.6%; and the FPSO Pioneiro de Libra was **97.9%**, compared to the PA of 96.0%.

SUBSEA

In 2018, the average economic uptime of TOP Coral do Atlântico was **99.4%**, compared to the PA of 95.0%; and the TOP Estrela do Mar was **99.4%**, compared to the PA of 95.0%.

Operational results

OFFSHORE DRILLING

Ocyan is an innovative company that offers its customers the service of chartering and operation of offshore drilling rigs for ultra deepwater, with state-of-the-art technology that ensures greater efficiency and quality, with excellence in safety, health, and environment.

Its fleet consists of four drilling vessels: Norbe VIII, Norbe IX, ODN I, ODN II; and two semi-submersible platforms: Norbe VI and ODN Delba III. It was the first Brazilian private company to provide offshore drilling services in the country and to operate a semi-submersible unit moored in a water depth of over 1,000 meters.

One of the highlights of the year was the unprecedented achievement of the Integrated Certification ISO 9001/14001 and OHSAS 18001. The result is a work of more than two years and the commitment of the teams in the search for the continuous improvement of the management system representing a competitive differential for the company. Another highlight was the application of all third parties to the Integrity Due Diligence process prior to institutional/commercial interaction.

The company ranked first in Petrobras' Sondópolis (December 28th, 2018), in a total of 16 operated rigs, surpassing the PA, which provided for the third place. The database integrates the main information about the platforms in operation. The company moved up from ninth position in 2015 to take the lead in 2018.

Highlight for safe operation, Norbe IX drilling platform completed more than four years without a lost-time accident. Altogether, up to December 31st, 2018, there were 1,600 days without this type of occurrence. Unprecedented among the assets, this achievement is a consequence of dedication, planning, discipline, and focus on the continuous improvement of safety management in operations.

OFFSHORE MAINTENANCE AND SERVICES

Ocyan has a team with technical expertise to meet, on demand, maintenance needs and specialized services for the upstream oil and gas industry in Brazil providing solutions according to the needs of the customer.

The operation registered 160 tons of fabricated materials, 178 tons of materials assembled on board, and 63,000 square meters painted on board in eight units served, in addition to five production shutdowns. The main activities developed by the Offshore Maintenance and Services (MSO) area are engineering, manufacturing, maintenance, installation, modification, integrity management, and inspection of displaced assets.

Among the achievements in 2018 it is the creation of Se Liga Program, an initiative to promote the safety of offshore employees. Once a week, the Health, Safety and Environment team, together with contract management, contacts a member on board, in a conference with his/her family, to raise awareness about the risks on board, the use of Personal Protective Equipment (PPE) and the importance of his/her life for the family and the company. In addition to raising the awareness of the individual, the objective is also to train multipliers capable of disseminating the concept of safe work on board the platforms.

OFFSHORE PRODUCTION

Ocyan operates in the oil production platforms operating segment through two Floating Production Storage Offloading System (FPSO) assets: Cidade de Itajaí, with production capacity of 80,000 oil barrels/day, and Pioneiro de Libra, with processing capacity of 50,000 oil barrels/day. Both vessels are the result of a joint venture with Teekay Offshore Partners and are chartered to Petrobras in the Santos Basin.

In the year, the FPSO Cidade de Itajaí produced 10.4 million oil barrels, accumulating a total of 98.0 million since the beginning of the operation, in February 2013, and recorded the 306-day mark without lost-time accidents. The FPSO Pioneiro de Libra produced 9.4 million oil barrels in 2018, accumulating a total of 9.8 million since the beginning of the operation, at the end of 2017, and 446 days without lost-time accidents.

SUBSEA

Ocyan was the first Brazilian company to prioritize its development in the Subsea Construction market, further strengthening the strategy of being the customer's choice to provide integrated

solutions for the offshore market. Its focus is the provision of flexible and rigid pipe laying services and the installation and manufacture of subsea equipment.

In partnership with French company Technip, the company operates two Pipe Laying Support Vessels (PLSVs) TOP Estrela do Mar and TOP Coral do Atlântico, responsible for the interconnection and communication between wells and production platforms, with capacity of laying pipes with up to 550 tons of cargo in water depth of up to 2,500 meters, both in the service of Petrobras.

In the year, the fleet of PLSVs was at the top of the ranking of the Operational Performance Index (IDO), which is calculated by the ratio between the planned and expected time of the ten main activities performed by the PLSVs during the subsea interconnection process. For the Barcópolis ranking, PLSVs occupy the first two places (TOP Estrela do Mar and TOP Coral do Atlântico in 1st and 2nd places, respectively) and the TOP fleet occupies the 1st place in the general ranking of the pipe laying vessels that provide services to Petrobras.



Financial results

Revenues and results

After successfully completing its financial restructuring process, Ocyan ended 2018 with a gross revenue of R\$ 2.93 billion, slightly higher than the R\$ 2.86 billion of 2017, and cash generation, expressed by recurring EBITDA of R\$ 1.75 billion, compared to a previous result of R\$ 1.48 billion. The total value added, which represents the formation of the wealth generated in a given period and its respective distribution, totaled R\$ 1.79 billion, against R\$ 6.08 billion in 2017. The previous result considers the amount of R\$ 5.36 billion in financial income determined by the adjustment to fair value of debentures with profit sharing (DPL), which corresponded to the extraordinary gain obtained in the financial restructuring of corporate debt.

Ocyan's financial statements for the year ended December 31st, 2018 (under the corporate name of Ocyan Participações S.A.) were audited and the independent auditor's report, without qualification, was issued on February 28th, 2019.

Release of precautionary measures

After a period of almost four years prevented from participating in bids and signing new contracts with Petrobras, due to the involvement of its main shareholder in the investigations of Operation Car Wash, Ocyan obtained the lifting of the blockade. The company was deemed as fit by the customer, regarding the criteria of integrity and compliance, to participate again in its bidding processes. The release represents yet another important step in the company's new growth cycle, restructured financially and ready for new achievements.

ADDED VALUE (R\$ million) | GRI 201-1

Statement of added value – Consolidated

| | 2015 | 2016 | 2017 | 2018 |
|--|--------------|------------|--------------|--------------|
| Revenues ¹ | 4,609 | 3,550 | 3,127 | 3,046 |
| Inputs acquired from third-parties | (1,620) | (1,032) | (963) | (747) |
| Depreciation, amortization, and impairment | (1,821) | (2,503) | (2,260) | (1,145) |
| Revenue from equity interests and financial income | 566 | 782 | 6,173 | 638 |
| Total added value to distribute | 1,734 | 797 | 6,077 | 1,792 |
| Distribution of added value – Consolidated | | | | |
| Personnel | 930 | 802 | 738 | 627 |
| Tax, rates and contributions | 236 | 124 | (21) | 156 |
| Providers of shareholders' equity and third-party | 568 | (129) | 5,360 | 1,009 |
| Added value distributed | 1,733 | 797 | 6,077 | 1,792 |

¹Includes gross revenue, other net revenues and expenses and revenues related to the construction of own assets. It does not include financial income.





Internal audience
Health and safety
External audience



Employees, customers, suppliers, and local communities in the municipalities of activity are key stakeholders for the development and growth of Ocyan. The strategy set by the company has, among its objectives, to create and share value with this network of people with whom it relates every day with ethics, transparency, and a spirit of collaboration.

Internal audience

[GRI 103-1, 103-2, 103-3]

The company values maintaining a professional environment in which there is respect, diversity, health and safety care and opportunities for individual development, factors that increase the level of satisfaction of its employees and commitment to their values and culture. Likewise, it seeks to maintain a remuneration and benefits policy that is attractive and compatible with the reality of the Brazilian oil and gas sector.

The relationship with its members is based on the dialogue between leader and those he/she leads, on education for and by work and for policies and codes, among them the Policy on People and the Code of Conduct, which deal with respect, ethics, and education between the parties. The company also invests in the strengthening of prevention concepts in order to improve and consolidate the standards and processes related to the safety, health and quality of life of its own workers or service providers.

Each year, employees receive feedback on their performance through the assessment of the Action Program (PA) cycle. The purpose is to stimulate career evolution and development by identifying individual qualities and competencies and improvement points for development and learning. In 2018, 100% of its staff received a performance assessment. [GRI 404-3]

Ocyan also understands that freedom of association and collective bargaining are rights guaranteed to all members and are expressed

in its Policies and Codes, including in the Code of Conduct of Suppliers, understanding that all related parties must share values and principles that govern interpersonal relationships. In the year, 92.4% of the number of members with a work contract administered in Brazil (1,957 workers) was covered by collective bargaining agreements. [GRI 102-41, 407-1]

The company also began a mapping of skills to identify potential successors to positions deemed as strategic. The initial focus was on the positions of Business Leader and directors. In 2019, the action will be stepped up and positions linked to the leaderships will enter the radar of the program. The idea is to consolidate the succession process, by training the potential substitutes and strengthening the traineeship program for the training of young people, both preparing for the company's future growth cycle. [GRI 404-2]

Profile of employees

On December 31, 2017, Ocyan had 2,295 employees in its staff, all with permanent employment agreements. Among them – including those on leave (181) – 1,441 professionals (68.2%) worked under the offshore and 673 (31.8%) under the onshore regime. The reduction of 33.2% in the staff during the year was mainly due to the demobilization of the Offshore Maintenance and Services (MSO) contracts. [GRI 102-8]





EMPLOYEES PER GENDER AND REGION |GRI 102-8|

| | Region | 2017 | | | 2018 | | |
|--------------|-------------|--------------|------------|--------------|--------------|------------|--------------------------|
| | | Men | Women | Total | Men | Women | Total |
| Brazil | Southeast | 2,940 | 401 | 3,341 | 1,818 | 331 | 2,149 |
| | South | 65 | 22 | 87 | 74 | 20 | 94 |
| | Northeast | 0 | 0 | 0 | 45 | 2 | 47 |
| Abroad | Austria | 1 | 4 | 5 | 0 | 4 | 4 |
| | Netherlands | 1 | 0 | 1 | 1 | 0 | 1 |
| Total | | 3,007 | 427 | 3,434 | 1,938 | 357 | 2,295¹ |

¹ Among these, 181 employees were on leave.



EMPLOYEES PER AREA OF ACTIVITY |GRI 102-8|

| | 2017 | | | 2018 | | |
|---|--------------|------------|--------------|--------------|------------|--------------|
| | Men | Women | Total | Men | Women | Total |
| Dynamic Operation (OD) + Austria | 84 | 98 | 182 | 79 | 89 | 168 |
| Offshore Drilling | 1,196 | 134 | 1,330 | 1,152 | 142 | 1,294 |
| Consolidated Integrated Services ¹ | 1,727 | 195 | 1,922 | 707 | 126 | 833 |
| Total | 3,007 | 427 | 3,434 | 1,938 | 357 | 2,295 |

¹ Trainees are not considered in the number of employees, which were 2,295 in 2018.



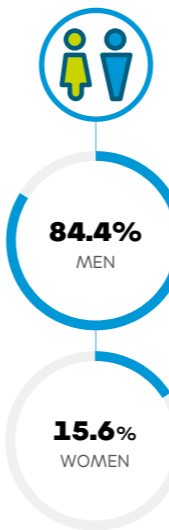
EMPLOYEES PER TYPE OF AGREEMENT |GRI 102-8|

| | 2017 | | | 2018 | | |
|---------------------------------------|--------------|------------|--------------|--------------|------------|--------------|
| | Men | Women | Total | Men | Women | Total |
| Member with permanent labor agreement | 2,961 | 375 | 3,336 | 1,909 | 330 | 2,239 |
| Minor-Apprentices | 46 | 52 | 98 | 29 | 27 | 56 |
| Trainees ¹ | 21 | 30 | 51 | 30 | 29 | 59 |
| Total | 3,028 | 457 | 3,485 | 1,968 | 386 | 2,354 |

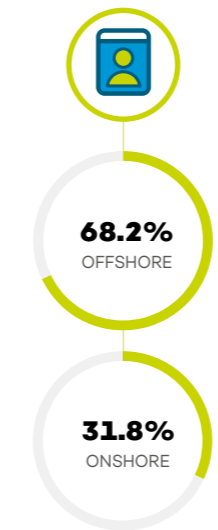
¹ Trainees are not considered in the number of employees, which were 2,295 in 2018.



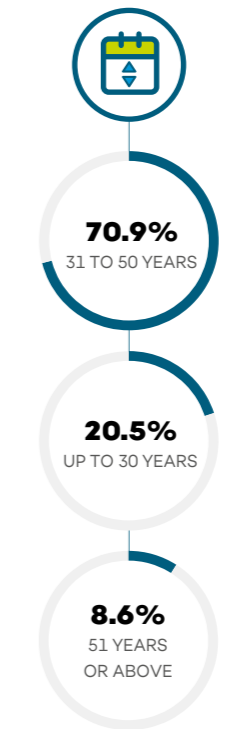
EMPLOYEES PER GENDER |GRI 102-8|



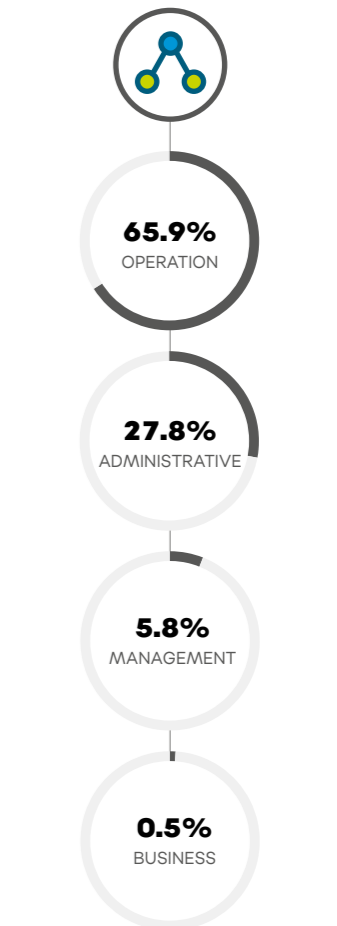
EMPLOYEES PER WORK REGIME¹ |GRI 102-8|



EMPLOYEES PER AGE GROUP |GRI 405-1|



EMPLOYEES PER FUNCTIONAL CATEGORY |GRI 405-1|



¹ Does not consider employees on leave.

Diversity

[GRI 103-1, 103-2, 103-3]

Oceyan values the inclusive environment and respect for differences, in accordance with the principles of human rights set out in its policies and the Code of Conduct, through which it reinforces the non-tolerance of any kind of discrimination and moral and sexual harassment. The diversity topic is covered in its strategic planning and has a series of improvement actions in progress, with defined goals and objectives.

The company is aligned with global movements that seek greater gender equity in society. At the end of 2018, 15.6% of the staff was women. The predominance of men in the workforce is a direct reflection of their sector of activity – the oil and gas industry – characterized by the condition of work embarked on the high seas, with shifts of 14 days.

At the end of 2018, the company had 20 People with Disabilities (PWDs), representing about 1.0% of the staff.



DIVERSITY INDICATORS [GRI 405-1]

| Per functional category | 2017 | | | | 2018 ¹ | | | |
|-------------------------|-------|-------|-------|-------|-------------------|--------|-------|-------|
| | Men | | Women | | Men | | Women | |
| | N° | % | N° | % | N° | % | N° | % |
| Board of Directors | 6 | 86.0% | 1 | 14.0% | 7 | 100.0% | 0 | 0.0% |
| Members ¹ | 3,007 | 87.6% | 427 | 12.4% | 1,938 | 84.0% | 357 | 16.0% |
| Business ² | 13 | 0.0% | 0 | 0.0% | 12 | 1.0% | 0 | 0.0% |
| Management | 112 | 3.7% | 34 | 8.0% | 101 | 5.0% | 31 | 9.0% |
| Administrative | 565 | 18.8% | 323 | 75.6% | 374 | 19.0% | 265 | 74.0% |
| Operation | 2,317 | 77.0% | 70 | 16.4% | 1,451 | 75.0% | 61 | 17.0% |
| Per age group | N° | | % | | N° | | % | |
| Board of Directors | | | | | | | | |
| Up to 30 years | | 0 | | 0.0% | | 0 | | 0.0% |
| 31 to 50 years | | 6 | | 60.0% | | 2 | | 29.0% |
| Over 51 years | | 4 | | 40.0% | | 5 | | 71.0% |
| Members ¹ | | | | | | | | |
| Up to 30 years | | 968 | | 28.2% | | 471 | | 20.5% |
| 31 to 50 years | | 2,192 | | 63.8% | | 1,626 | | 70.8% |
| 51 years or above | | 274 | | 8.0% | | 198 | | 8.6% |
| Other diversity items | N° | | % | | N° | | % | |
| People with disability | | 42 | | 1.2% | | 20 | | 1.0% |
| Foreigners | | 131 | | 3.8% | | 110 | | 5.0% |

¹ Total number of members (active + non-active)

² Business: Business Leader, Support Leaders, Superintendent Directors, Contract Directors, and Compliance Officer.

Training and development

[GRI 103-1, 103-2, 103-3]

Oceyan believes that continuing education is the best way to promote the qualification of its employees. Therefore, it invests in a portfolio of training and qualifications in which the employee reinforces the skills necessary for his/her activity in the company. The topics can be technical, managerial and leadership, as well as transversal (health and safety, environment and respect for diversity, among others).

All development actions aim to qualify members to take on greater challenges. In each business, there are specific teams responsible for training management, which may be mandatory or non-mandatory, and always occur in alignment and/or at the request of the employee's leadership.

The financial participation of the company in institutional and non-mandatory programs varies between 50% and 100% of the total value and are institutional and sector-specific. In addition, external training is also carried out to meet specific customer demands.

During the year, training and professional development programs, both internally and externally, reached a total of 146,546 hours (average of 69 hours per employee), reaching workers in all areas of the company.



TOTAL TRAINING HOURS [GRI 404-1]

| Functional category | No. of employees in the position ¹ | No. of participants in the training sessions ² | Total no. of training hours | Average hours per employee |
|--------------------------------|---|---|-----------------------------|----------------------------|
| Total number | 2,110 | 2,699 | 146,546 | 69 |
| Leadership | 13 | 6 | 203 | 16 |
| Men | 13 | 6 | 203 | 16 |
| Women | 0 | 0 | 0 | 0 |
| Management ³ | 128 | 109 | 5,969 | 47 |
| Men | 97 | 97 | 5,599 | 58 |
| Women | 31 | 12 | 370 | 12 |
| Business | 565 | 413 | 34,806 | 62 |
| Men | 311 | 257 | 25,634 | 82 |
| Women | 254 | 156 | 9,172 | 36 |
| Operational | 1,404 | 2,171 | 105,568 | 75 |
| Men | 1,344 | 2,091 | 103,151 | 77 |
| Women | 60 | 80 | 2,417 | 40 |

¹ Does not include employees on leave in the year (181) + 3 entities considered in the macro-structure + 1 active employee who was reintegrated after the end of the leave.

² The number considers the total number of trained employees in the year, regardless of the total figure recorded on December 31st.

³ The Management Group concentrates information from the Management and Business groups, which represent groups considered strategic.



Well-being and health

[GRI 403-6]

The company offers a series of benefits and initiatives that aim at the health and well-being of its employees. These include:

Benefits to employee

- ▶ Ambulatory for emergency services in company;
- ▶ Health care plan for all employees;
- ▶ Optional dental plan;
- ▶ Day Care Center / Baby-sitter Assistance
- ▶ Meal Voucher / Food Voucher
- ▶ Private Pension Plan.

Best practices Program

- ▶ **Ocyan Baby:** program that offers personalized accompaniment to all members and spouses of Ocyan employees throughout the gestation period, birth and puerperium, including informational lecture for parents, Ocyan Baby Kit (with baby care items), parking spaces exclusive for pregnant women, and space for support to lactating women in the administrative bases;
- ▶ **Health Space:** environment for the practice of Shiatsu and Pilates in company for the employees of the corporate headquarters;
- ▶ **Employees' Week:** lectures and interactive activities related to career and quality of life, held during a week of November, given by employees and external partners;
- ▶ **Day Off** for birthday people who work in the administrative bases;
- ▶ **Well-Being Circuit:** promoted in partnership with Firjan, based in Macaé and in the Corporate Headquarters, aims to support the employee in adopting healthier living habits. It comprises four health workshops: Brazil Cooking; Emotional Health; Physical Activity; and Healthy Food and Oral Health, each with a duration of 60 minutes;
- ▶ **Move Yourself Program:** race group, with specialized support, in partnership with Firjan, for members of the Drilling Unit.

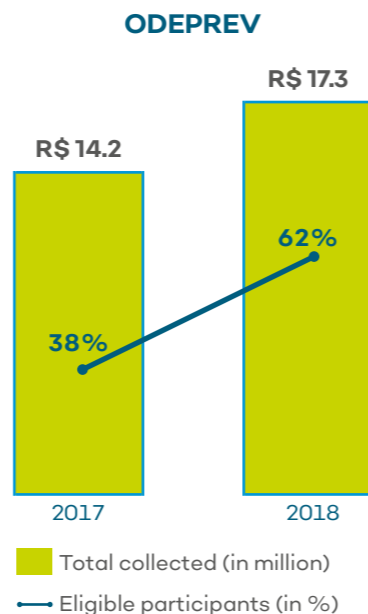
Pension plan

The employees have a private pension plan offered in a co-participation system. For contract workers in Brazil, the company offers the Odeprev plan – maintained and managed by the Odebrecht Group.

In 2018, there was a significant increase in program numbers. 1,085 employees benefited from the plan, or 62% of the eligible employees (38% in 2017), with a contribution of R\$ 10.7 million (R\$ 9.7 million in 2017). The total amount collected in the year, with the company's participation, was R\$ 17.3 million (R\$ 14.2 million in 2017). [GRI 201-3]

The contribution amount of the employee varies between 1% and 12% of the remuneration; the company's monthly contribution may be 30%, 40% or 50% of the employee's contribution, depending on the contribution made by the beneficiary.

For expatriates – non-Brazilians and non-Americans – the company offers the International Pension Plan (IPP), a benefit created in 2014 and following the same model as Odeprev.



Health and safety

[GRI 103-1, 103-2, 103-3]

One of Ocyan's greatest commitments is to ensure the integrity and preservation of the lives of its members and contractors. In order to provide a safe and healthy work environment every day, especially given the high complexity of its offshore operations, a number of training and development initiatives specifically related to health and safety are carried out throughout the year, covering both the workers on the platforms and ships, and those onshore.

Safety assurance is discussed in contract, in budget composition, and in planning activities. In addition, the topic is also linked to the Action Program (PA) of leaders and those who are led, and Occupational Health, Safety and Environment (SSTMA) indicators are monitored periodically.

The responsibility for the practice and implementation of the programs and procedures for the SSTMA management is carried out through the planned delegation and the awareness of all the employees.

Ocyan's 12 Golden Commitments

The program aims to discipline occupational safety behaviors in order to ensure continuous improvement and safety excellence, guiding leaders on the adoption of administrative procedures, alignment of practices, and strengthening of discipline culture for compliance with policies, guidelines, principles, standards, and procedures. It also aims to improve the quality of communication, investigation, identification, and treatment of the causes of accidents with or without lost-time, operational incidents, and breach of the 12 Golden Safety Commitments.

Management system [GRI 403-1, 403-7, 403-8]

A robust occupational health and safety management system is maintained, which centralizes actions to raise awareness, reinforce the safety culture by observing risks and behaviors and improving equipment and facilities. All business units have the autonomy to implement their management system independently, but following the positioning, strategy, and policies of the company. The system covers all employees: onshore, offshore, and subcontractors.



Health services are provided by qualified professionals and guarantee members access to information during medical consultations and follow-up throughout their period within the organization. The confidentiality and privacy of the collected data is ensured, including in computerized health systems and medical records. **[GRI 403-3]**

Occupational health and safety management systems (integrated with quality and environment) have been implemented to meet stakeholder requirements and increase customer satisfaction, in accordance with legal requirements and the following standards: **Offshore Drilling:** OHSAS 18001:2007, ISO 14001:2015, ISO 9001:2015, ISO 55001:2014, and ISM Code; **Offshore Production:** OHSAS 18001:2007, ISO 14001:2015, and ISM Code; **Subsea Construction:** OHSAS 18001:2007, ISO 14001:2015, ISO 9001:2015; and ISPS Code; **Offshore Services and Maintenance:** OHSAS 18001:2007, ISO 14001:2015, ISO 9001:2015.

Risk identification **[GRI 403-2]**

All incidents are reported and investigated individually and, for each one, an action plan is prepared to correct the problem and avoid its repetition in the unit and/or other units, where applicable.

Internal audits are carried out with the purpose of assessing the effectiveness of the management system. In addition, the company seeks the industry's best benchmark examples at institutions such as International Marine Contractors Association (IMCA), International Association of Oil & Gas Producers (IOGP) and International Association of Drilling Contractors (IADC).

The process of continuous improvement uses the PDCA cycle – a management tool that aims to promote the continuous improvement of processes through a circuit of four actions: plan, do, check, and act. The risk identification process is performed through the following steps:

- 1 Selection of areas and activities;
- 2 Identification of hazards and damage;
- 3 Analysis of legal requirements;

- 5 Identification of existing controls for risk management;
- 4 Risk assessment;
- 6 Determination of controls for risk reduction;
- 7 Assessment of the new risk category.

Occupational hazards and risks, whether offshore or onshore, are recorded in a Hazard and Risk spreadsheet within an electronic system, in a specific control document, in accordance with the requirements of OHSAS 18001:2007.

Observation cards are also used in the operational bases and in the offshore units, to identify deviations, risks, hazard situations, and opportunities for improvement. There is recognition of the best cards, encouraging this practice by the workforce.

The communication and the investigation of incidents are done within an electronic system configured with a research methodology that allows to identify the immediate causes and the root causes related to the fact. In the same registry, corrective and/or preventive actions are created that can be administered within the electronic system itself regarding deadlines and evidences. It is the obligation of each member to stop any act or condition with the potential to cause accidents.

An Internal Accident Prevention Commission (CIPA) is maintained in each operation unit, to ensure the compliance of 100% of the workforce the regulations established by the Brazilian Ministry of Labor and Employment (NR-5) – in offshore units, the regulatory standard is NR-30.

The committees play a key role in adopting occupational health and safety programs and measures, including behavioral audits, installation inspections, training and leadership development in Occupational Health and Safety (SST).

The Commissions are made up of representatives of the workers and the employer, who make decisions together for health and safety. When necessary, monthly ordinary and extraordinary meetings are held to discuss matters pertinent to the topic. **[GRI 403-4]**

Training **[GRI 403-5]**

In addition to the training required by legislation for each type of activity, initiatives such as the 12 Golden Safety Commitments program, seminars, and workshops on occupational safety and health during Internal Weeks for the Prevention of Occupational Accidents (Sipat), training on hazard risk management/preliminary risk analysis procedures and for use of equipment and tools related to the activity, among others. The trainings are made available online, theoretical on-site or practical, and can be taught by third-parties or internally by persons qualified and/or trained to do so. Every new employee receives information about the occupational health and safety management system.

Training is provided free of charge and within paid working hours. Complementary training courses that are not free can be funded by the company. The effectiveness of the training is assessed through forms, identifying improvement points for the development of the individual development plan.

The training requirements are complementary to the qualifications of the employee and are identified in the training management system. The training and frequencies are recorded through a training matrix and controlled by the system.

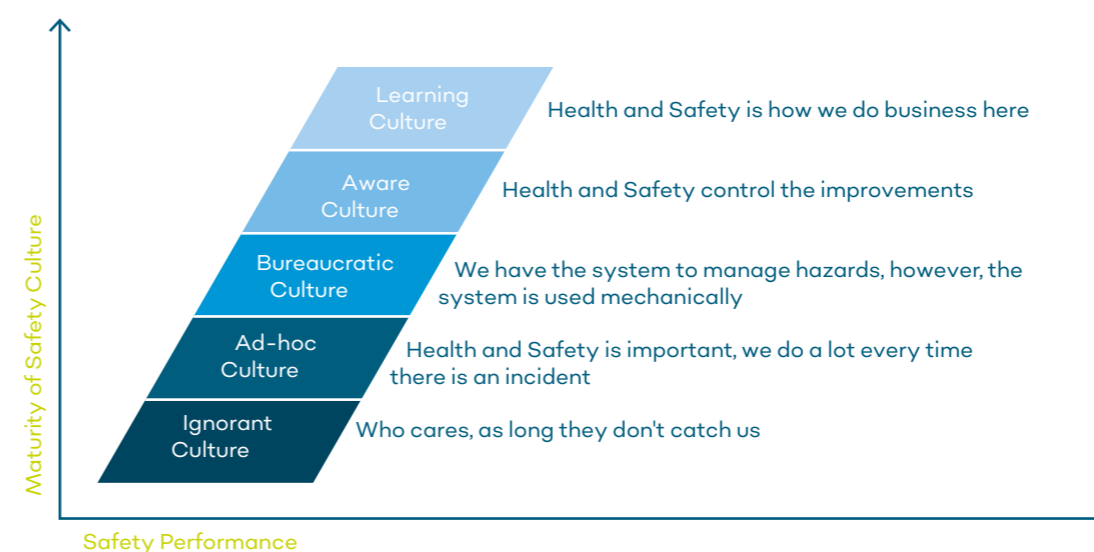
Safety indicators

Among the priorities and goals established in the Action Program is to evolve permanently in Occupational Health, Safety and Environment (SSTMA) to achieve zero lost-time accident. Although in recent years there has been a significant improvement in the indicators – the Recordable Incidents Frequency Rate (TFIR), with and without lost-time, went from 5.1 in 2013 to 1.4 in 2018 –, the company still considers the outcome to be below its expectations and a challenge to be pursued relentlessly.

In addition to the various tools already available to seek improvements in the subject, the company is investing in the development and implementation of the program to strengthen the safety culture, with a focus on behavioral management.

In 2018, the Offshore Drilling and Production Business Units began a program focused on the diagnosis of the safety culture maturity level of their respective businesses. The goal is to develop a high performance organizational culture for the process of continuous improvement of safety. The program provides the provision of information on the current stage of the safety culture as well as supports decision-making to decide the best behavioral management strategy.

In the year, there were no fatalities or records of occupational illness or hearing loss. **[GRI 403-10]**





HEALTH AND SAFETY INDICATORS [GRI 403-9]

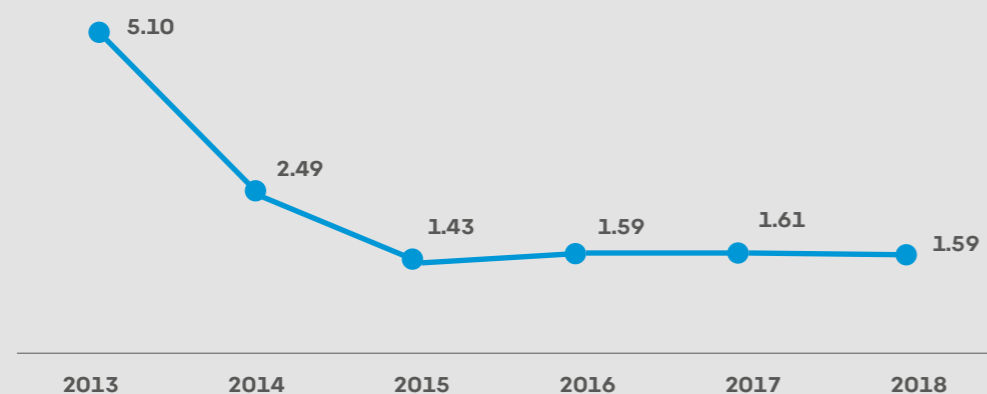
| | Employees | | Contractors of third-parties | | Total workforce | | Per age group | | |
|--|--------------|-------|------------------------------|-------|-----------------|-------|---------------|----------|---------|
| | Men | Women | Men | Women | Men | Women | Up to 30 | 30 to 50 | Over 50 |
| | N° of deaths | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of high consequence injuries (lost-time accidents) ¹ | 8 | 0 | 0 | 0 | 8 | 0 | 0 | 7 | 1 |
| Rate of high consequence injuries | 1.32 | 0 | 0 | 0 | 0.98 | 0 | 0 | 1.65 | 1.84 |
| Number of occupational injuries (total of accidents) ² | 13 | 0 | 0 | 0 | 13 | 0 | 0 | 11 | 2 |
| Rate of injuries ² | 2.15 | 0 | 0 | 0 | 1.59 | 0 | 0 | 2.60 | 3.67 |

¹ Excluding deaths

² Types of injuries: fall, crushing, mechanical shock, cut, and improper posture.
Note: Ocyan's operations occur exclusively in the Southeast Region of Brazil

RECORDABLE INCIDENT FREQUENCY RATE (TFIR)

With and without lost time



External audience

[GRI 103-1, 103-2, 103-3]

Creating value for its shareholders and society is one of Ocyan's missions, which work to establish responsible and sustainable relationships with communities, suppliers, customers, governments, and other audiences in their places of activity. This also implies the management of issues that have potential for conflict and need to be treated in a transparent way, contributing to raise the image of a partner company in building a fairer and more equitable society with opportunities for development for everyone.

Customers

Ocyan strives to be at the forefront of the oil and gas market to offer innovative and efficient solutions capable of winning and retaining customers. Aligned with this principle, in 2018, the topic of innovation has gained prominence in strategic planning. Its extensive experience in the sector and its work close to the customer contribute to identify, with greater assertiveness, the real needs and demands of the oil industry.

Its main customer today is Petrobras, with whom it has a longstanding commercial relationship, with contracts signed for chartering of assets and providing offshore production and maintenance services. It has also established successful partnerships with international companies, including the French company Technip, with which it shares joint ventures TOP Estrela do Mar and TOP Coral do Atlântico; and the Norwegian company Teekay, partner in FPSOs Cidade de Itajaí and Pioneiro de Libra.

In all business units, highly trained teams are maintained, with responsibility on assets and the environment. In 2018, Ocyan returned to the positive list of Petrobras' suppliers and is eligible for new bids. The company is also resuming the process of internationalization of operations, seeking new opportunities to diversify its customer portfolio, as well as developing projects to offer new technologies and services.

The company watches over free competition and, therefore, seeks to act ethically, with integrity and transparency among the players in the industry, stimulated by creativity, continuous improvement of operations, and increased productivity. The topic is addressed in its Policy on Compliance with Ethical, Upstanding and Transparent Operation and is part of the annual recycling training of leaders and those who are led. In 2018, no lawsuit was filed with Ocyan for unfair competition, trust practice, and monopoly.

[GRI 206-1]

Assessment

In order to promote continuous improvement in service provision, Ocyan assesses the level of satisfaction of its main customer, Petrobras, through the Performance Assessment Report (BAD). The document, which follows the scope of each contract, assesses the following data: Equipment and Materials; Human Resources; and Facilities and Effectiveness. In 2018, except for Offshore Drilling, all business units received a grade above the target set in the Action Program (PA).

Performance Evaluation Report (BAD) (BAD)

| Business Unit | BAD |
|-----------------------------------|------|
| Offshore Drilling | 9.0 |
| FPSO Pioneiro de Libra | 10.0 |
| FPSO Cidade de Itajaí | 9.3 |
| PLSV Top Coral do Atlântico | 9.9 |
| PLSV TOP Estrela do Mar | 10.0 |
| Offshore Maintenance and Services | 9.0 |

Suppliers | GRI 103-1, 103-2, 103-3|

Ocyan's chain of suppliers is comprised of distributors, authorized representatives, equipment manufacturers, tradings, service providers, maintenance companies, consultants, and auditors located in Brazil and abroad. In 2018, the monetary value paid for materials and services totaled R\$ 750 million, for a total of 757 contracted suppliers. Of this amount, 74% corresponded to local procurement (companies with operations in Brazilian territory). |GRI 102-9, 204-1|

Since 2017, the company has maintained a new process of selection, assessment, and approval of partners, in order to manage risks to the company's reputation, damage to property, and losses to the shareholder. Through this system, the diagnosis of the level of commitment of suppliers with the legal, social, environmental, and safety aspects is performed.

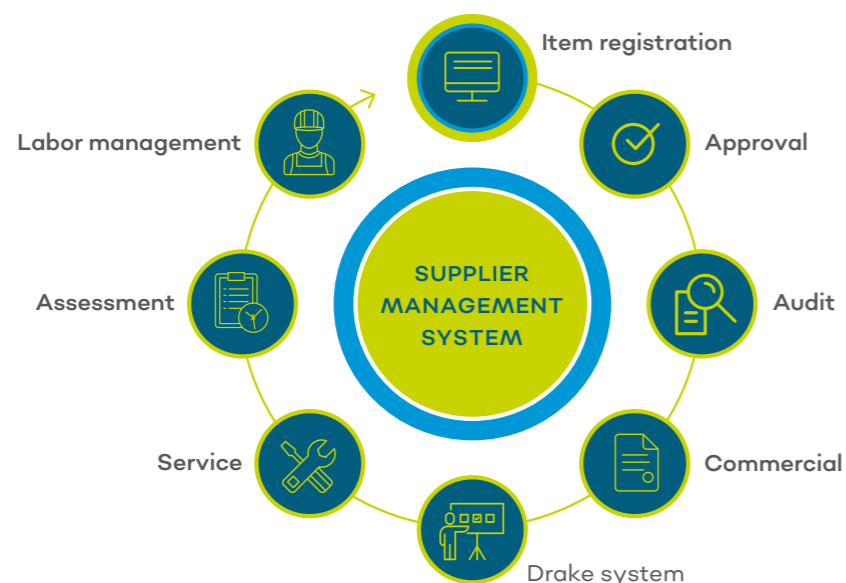
Potential suppliers should provide social and environmental information in accordance with current legislation. In this way, the company reinforces its commitment to ethics, value creation for the whole chain and sustainable development.

The system qualifies the supplier base with respect to legal, tax, financial, technical, and compliance issues, as well as supporting the

areas of Supply, Health, Safety, Environment, and Technical in the assertive choice of its partners. Additionally, it includes a self-assessment questionnaire on compliance practices, anti-corruption and money laundering.

On-site audits are also performed on service providers, as well as the assessment of service and material suppliers. The audit has increased the domain in relation to the level of certification in which the supplier is. The assessment portal has become a tool through which users of the service, technical manager, and commercial manager have the possibility to validate and assess the quality of the services provided, as well as whether they are within the scope of the contract and the commercial issues. Thus, the criterion of selection and maintenance of the third party becomes clearer.

Specific documents on environmental issues are included in the approval process for each related category, without which the supplier cannot register in the Ocyan's database. In the case of specific waste management providers, audits are performed, and the results are reported for the technical and commercial areas, which may result in action plans or discontinuation of the supplier. Audit reports are also issued with the score of each supplier. The weights of nonconformities are related to documents and environmental evidence.



The system also manages the training required for third-party workers. Every worker who is going to do a service embarked on one of the drilling rigs operated by Ocyan must necessarily undergo a system of control of specific trainings for the execution of services on board, called Drake. Even if the supplier is already approved, whenever there is a new service to be performed on board, the system confronts the data of the person assigned to the work and verifies whether or not it has already gone through the specific training for that activity. This ensures greater safety to operation and assets.

In case of noncompliance with any legal regulation or sustainability requirement requested by Ocyan, a process of investigation is initiated to investigate the facts and take the applicable actions, which may even result in contractual termination.

Risk and impacts

The Supplier Management System also encompasses a risk matrix that covers the entire contracted service base (around 500 items). For each item of the register, an analysis of environmental and operational risks and impacts involving the product or service in question was performed, listed in four levels - high, medium, low and negligible.

Ocyan repudiates child labor and forced or analogous to slave labor. No such case was raised in audits carried out by the Company's Supplier Management System. |GRI 408-1, 409-1|

NUMBERS OF SUPPLIER MANAGEMENT IN 2018

195

critical national suppliers, with 65 being audited (11 were potential non-contracted suppliers)

787

performance assessments of service providers, for a total of 174 different suppliers

93

Ocyan's appraisers

81%

of the service providers above the average

Follow-up of labor documentation of

63

labor contracts



To access Ocyan's Supplier Approval System, go to: <http://www.ocyan-sa.com/pt-br/forneceadores>.
To download Ocyan's Code of Conduct, go to: <http://www.ocyan-sa.com/pt-br/conformidade>.

RISKS AMONG SUPPLIERS | GRI 308-2, 414-2|

| Topic | Risk |
|-----------------|--|
| Compliance | Corruption, money laundering, transparency, reputation. |
| Human rights | Occupational accidents, work in hazardous or degrading conditions, discrimination. |
| Environment | Oil and chemical leaks, atmospheric emissions, improper disposal of waste. |
| Labor practices | Delay or non-payment of salaries and social charges; freedom of association. |
| Society | Excess use of public equipment and infrastructure, unemployment after conclusion of contracts, non-integration with communities, corruption. |





Society

|GRI 103-1, 103-2, 103-3|

Ocyan seeks to contribute to society in the regions where it operates through social programs that promote the education and inclusion of children and adolescents living in communities with high levels of social vulnerability. The local demands, related to the topic, are mapped out in meetings to discuss supported projects, as well as requests for support that come through its communication channels. A careful analysis is performed to understand the needs presented and to establish best practices, always focusing on social inclusion through educational development. The actions are concentrated in the city of Macaé, where the logistical support base is installed, and, from 2018 on, also in schools in Rio de Janeiro. |GRI 413-1|



Ocyan promotes social initiatives through its social responsibility program - School in Action (Escola em Ação).

In 2018, efforts were concentrated in the #innovateandlearn (#Inovareaprender) Program, supported since 2014, which consists of theoretical and practical robotic learning activities for students in 11 makers spaces, which are practical learning environments, in the concept of "learning by doing", maintained in schools of the municipal network, besides the Universities IFF and UFRJ and the Senai de Macaé. Also, in 2018, a partnership was created with the NGO Junior Achievement do Rio de Janeiro to promote the Corporate Volunteer Program through the application of programs in state schools in the cities of Rio de Janeiro and Macaé.

Youth Mentoring Project

With the objective of promoting scientific and technological development, in addition to strengthening the relationship with the community, Ocyan, through the Escola em Ação, brought together young people from the #Inovareaprender Program and the company's Engineering and Subsea teams. Engineering

students from the Federal University of Rio de Janeiro (UFRJ-Macaé), who participate in the #Inovareaprender Program, met the professionals of the Engineering and Subsea teams of the Offshore Drilling Business Unit, who worked as mentors of the students in order to develop operational solutions.

The students of UFRJ Macaé developed two prototypes that bring solutions for application in the drilling rigs of the company, meeting the demands of the mechanical and subsea areas.

The solutions were developed in 3D printer and laser cutter donated by the company to the Management and Research Center of UFRJ-Macaé. From April to October 2018, the mentors guided the students at every stage, from the development to the construction of the prototypes. The challenge for the mechanical area was the creation of a precision slide holder to expedite the regular inspection work of the diesel engines' axles on drilling rigs. In the Subsea area, the solutions were aimed at confirming the compatibility of Ocyan's fleet connectors with the wells supplied by the customer, acting at a depth of up to 3 thousand meters, facilitating the prior analysis of the operation and avoiding delays in the schedules. |GRI 203-1|

VOLUNTEERING

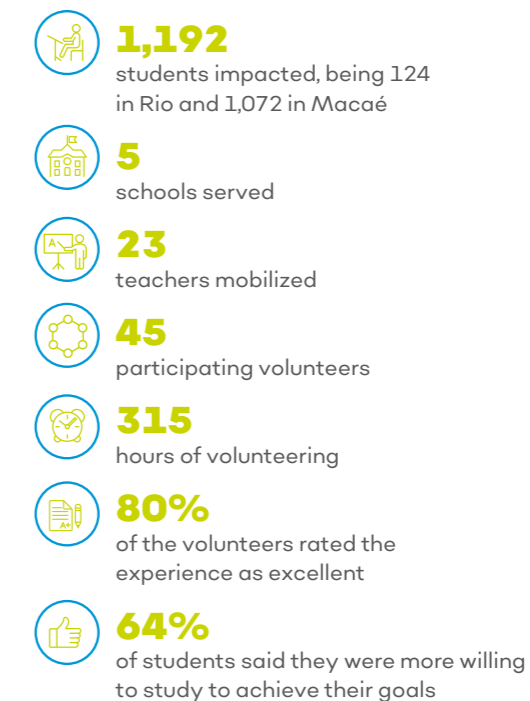
Ocyan launched a new Volunteer Program through the activation of projects of the Entrepreneurial Trail, an initiative of the NGO Junior Achievement Rio de Janeiro (JARJ), one of the largest social youth incentive organizations in the world. The initiative is part of its social responsibility program, School in Action, and seeks to structure and expand the company's volunteer activities, which have existed since 2007.

The project has activities in state schools of Rio de Janeiro and Macaé and intends to encourage students to debate topics such as ethics, citizenship, responsibility, life in society, the labor market, and the future of the young people. Only in 2018, the action impacted more than 1,192 young people and involved 75 volunteer members of the company.

During the year, four schools in Macaé and one in Rio de Janeiro benefited from the initiative through the programs "Let's Talk about Ethics" and "The Advantages of Staying in School", all with students from the 10th grade of high school. The volunteers applied the programs in the state schools Luiz Reid, Irene Meireles, 1º de Maio and Matias Neto, in Macaé, and in the Escola Estadual Souza Aguiar, in Rio de Janeiro.

In total, the School in Action initiatives directly benefited 1,710 children, adolescents, and young people in different communities and schools. R\$ 240,000 were allocated to purchase equipment, tools, and materials for the initiatives supported. Between 2007 and 2018, the School in Action program already benefited more than 24,000 people. Ocyan does not pass resources directly to social projects but manages this relationship and accountability. |GRI 203-1|

RESULTS OF THE VOLUNTEER PROGRAM





Gestão responsável
Uso consciente de recursos
Mudanças climáticas



The commitment to the environment, as expressed in the Sustainability Policy, defines the rational use of natural resources and cleaner technologies, efficient control of greenhouse gas emissions, reduction of waste, mitigation of environmental impacts of operations, and protection of ecosystems and biodiversity.

Responsible management

[GRI 103-1, 103-2, 103-3]

Ocyan invests in improvement actions aimed at the conscious use of natural resources, the preservation of the environment and its assets, and the efficient management of assets. Its work is based on the Sustainability Policy, a document that contains guidelines on controlling the impacts of its activities, such as environmental and occupational risks, as well as rules for the maintenance of ecosystems and biodiversity.

The Sustainability area is responsible for the development, implementation, and management of environmental initiatives, which lead, among other things, to obtaining and maintaining operating licenses and certifications.

All business units follow the Basic Environmental Management Plan, which contains: the diagnosis of foreseeable impacts and the definition of measures to eliminate or minimize them; preparation for recovery of degraded areas; proper waste management; training and qualification of all employees to work with a focus on prevention; and emergency preparedness.

Committed to improving its environmental performance with eco-efficiency, consistently and continuously, Ocyan establishes a series of sustainability goals agreed by leaders and those who are led by Action Programs (PA), which are in line with Global Compact guidelines and Sustainable Development Goals (SDG), initiatives of the UN of which it is a signatory.

Audits are conducted to assess the compliance of operations with environmental requirements. One of the prominent risks related to well drilling activity is oil spillage into the sea, which can also cause serious damage to local communities, the customer, the business, and the company's image. In 2018, there were no significant spills, considering the parameter of 100 barrels or spills in sensitive areas. Likewise, there were no significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations. [GRI 306-3, 307-1]



Conscious use of resources

POWER | GRI 103-1, 103-2, 103-3

Considering all sources (gasoline, diesel, natural gas, kerosene, and electricity), energy consumption within the company in 2018 was 105,651 gigajoules (GJ), a result 75% lower than in 2017 (428,141 GJ).

During the year, the drilling rig fleet had a shorter period of dockage – the assets were in operation for a longer time under operational control of the customer – and the contract of Norbe IV platform also ended; in addition, there was a longer operating time of the FPSO Pioneiro de Libra compared to year 2017. All these factors justify the fall in energy consumption within the company and the increase in consumption outside.



POWER CONSUMED WITHIN THE COMPANY (GJ) | GRI 302-1

| Non-renewable sources | 2017 | 2018 | 2018 |
|---------------------------|----------------|------------------|----------------|
| | Gigajoules | Liters | Gigajoules |
| Gasoline | 2,184 | 53,835 | 1,735 |
| Diesel | 2,311 | 37,448 | 1,330 |
| Natural gas from the well | - | 1,175,859 | 43,319 |
| Aviation kerosene | 1,789 | 41,129 | 1,415 |
| Maritime diesel oil | 201,927 | 1,039,284 | 38,713 |
| Renewable sources | 2018 | 2018 | 2018 |
| Electricity | 26,509 | - | 19,139 |
| Total | 234,720 | 2,347,555 | 105,651 |

POWER CONSUMED OUTSIDE THE COMPANY (GJ) | GRI 302-2

| Chain of suppliers before company operation | 2017 | 2018 |
|---|------------------|-------------------|
| Goods and services acquired | 8,369 | 3,746 |
| Activities related to the fuel and energy sector | 13,998 | 4,110 |
| Transportation and distribution | 298 | 3,257 |
| Waste generated in the operations | 0 | 0 |
| Business travels | 67,034 | 92,989 |
| Transportation of employees | 456 | 24 |
| After the operation, including logistics providers, retailers and clients | | |
| Leased assets (downstream) | 3,589,654 | 10,080,902 |
| Total | 3,679,811 | 10,185,028 |

WATER | GRI 103-1, 103-2, 103-3, 303-1, 303-2

Most of the volume of water withdrawn by the company comes from the ocean, both for human consumption and industrial use. Water collection at the operational bases comes from public and private supply services. All effluents generated on board vessels are treated and discarded at sea, respecting the limits imposed by the applicable legislation.

As the company's assets are granted to the customer, the volume of water consumed is greatly influenced by the operation and, therefore, by the customer. For this reason, no water-related goals are set. Where applicable, minimum requirements are established for suppliers and service providers that have a significant impact.

In relation to the company's operations, there are no significant water-related impacts that compromise river basins.

In 2018, Oceyan withdrew a volume of 283.65 million liters of water from water sources, compared to

234.85 million liters in 2017; 64.7% of this total was collected at sea. Of the amount, 43.55 million liters were consumed. The company does not recycle or reuse water in its operations. | GRI 303-3, 303-5

The total volume of discarded water totaled 235.81 million liters, compared to 224.16 million liters in the previous year. All the parameters established by the applicable legislation are obeyed and monitored, in addition to the requirements stipulated by the customer. Oils and greases (mainly hydrocarbons) in oily effluents, including produced water, are priority substances of concern as they can cause irreversible damage to the body of water, the ecosystem, or human health. The disposal process is carried out based on legislation: Marpol 73/78; Conama Resolution 393; Law 9,966 from April 28, 2000. The limits are set by legislation. The treatment method used for discharge in the drilling and subsea construction rigs was the oil and water separator (SAO) and in the FPSOs, three-phase separator, and flotation cells. In the year, there were no incidents of non-compliance with discharge limits. | GRI 303-4



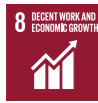
TOTAL WITHDRAWAL OF WATER PER SOURCE (in millions of liters) | GRI 303-3

| Source | 2017 | 2018 |
|---|---------------|---------------|
| Sea water (total) | 224.16 | 183.58 |
| Produced water (total) | - | 38.97 |
| Third-party water (total) | 10.69 | 61.10 |
| Total of withdrawn water (surface, groundwater, sea, produced, third-party waters) | 234.85 | 283.65 |
| Potable water | 224.16 | 61.10 |
| Other water | 10.69 | 222.55 |

Note: The values used come from water bills, flow meters (offshore units) and purchases of tank trucks and gallons of mineral water. Calculations were obtained by means of direct measurements. There was no water withdrawal in areas with water stress.

WATER DISPOSAL PER DESTINATION (in millions of liters) | GRI 303-4

| Source | 2017 | 2018 |
|--|---------------|---------------|
| Sea/oceans | 224.16 | 229.22 |
| Third-party water | | 6.59 |
| Total disposed (surface waters + groundwaters + sea/oceans + third-party water) | 224.16 | 235.81 |
| Disposal per type of water | 2017 | 2018 |
| Potable water | 224.16 | 235.81 |
| Other waters | 0 | 0 |



WASTE | GRI 103-1, 103-2, 103-3|

The management of waste from oil well activities is the responsibility of the customer. Ocyan only monitors and controls the separation, storage and transport of hazardous and non-hazardous waste from its operation, identifying the risk that such materials are potentially polluting. The destination is defined according to its type and based on criteria based on the procedures of the Environmental Management System of the company.

The variables commonly assessed in the definition of the final disposal of waste are the following: type and classification of the waste; amount of residue; disposal methods and techniques; treatment or final disposal; availability of treatment or disposal methods;

long-term results of treatment or disposal methods; costs of treatment or disposal methods. An assessment is made whether the destination of waste meets local regulatory requirements. In the absence of local regulatory requirements, waste must be disposed of in an environmentally proper manner.

All members receive guidance and are trained on the effluent and waste management policy established by the customer. In the case of spills, there are established goals that directly impact the PA. In 2018, 2,990.48 ton of hazardous waste were transported – highlighting that Ocyan does not import, export, or transport this type of waste internationally. |GRI 306-4|



DISPOSAL OF WASTE ¹ |GRI 306-2|

| Hazardous waste | Weight (t) | Method of disposal |
|--|------------|-------------------------------------|
| Batteries ² | 1.12 | Recycling |
| Electronics and fluorescent lamps ³ | 12.97 | Recycling/Recovery/Decontamination |
| Health waste (t) | 0.37 | Incinerator |
| Oils and greases | 388.25 | Re-refining / Recycling |
| Oily water | 2,137.41 | Reuse |
| Other hazardous waste (contaminated solids and chemicals out of use) | 450.36 | Co-processing / Landfill / Blending |
| Non-hazardous waste | Weight (t) | Method of disposal |
| Paper/cardboard waste | 48.85 | Recycling |
| Mixed urban waste (common) | 310.74 | Landfill |
| Metal | 401.53 | Recycling |
| Plastic | 57.49 | Recycling |
| Glass | 6.26 | Recycling |
| Wood | 143.54 | Energy recovery |
| Kitchen oil | 1.13 | Recycling |

¹ Waste from the Offshore Production and Logistics area is managed by the Customer

² 1 battery = 0.0001 t

³ 1 Lamp = 0.0002 t

Climate changes

|GRI 103-1, 103-2, 103-3|

Since 2012, Ocyan has been producing and publishing its annual inventory, which records direct and indirect emissions of greenhouse gases (GHG), in the Public Register of Emissions of the GHG Protocol. The company has an area dedicated to environmental and sustainability management, responsible for collecting the data that make up the inventory.

Risks x opportunities |GRI 201-2|

As a company aware of its role in building a better world, Ocyan recognizes the relevance of the effects of climate change and its interaction with sustainable development. Within the organization, these changes can impact all operations; outside the company can affect suppliers, customers, and communities. Due to its relevance to the business, this topic is closely managed by the Sustainability Board.

Regarding the physical risks to the company, susceptible to climate change, there is a possible increase in the incidence of tropical cyclones, storms, and floods. Regulatory risks involve changes in the emission limit of greenhouse gases and changes in the country's energy policy.

The interaction between climate change and sustainable development sets the challenge for improving efficiency and for cleaner operation, including technological solutions for adaptation measures.

The impacts associated with climate change riches initially involve an increase in operational cost due to the need for adaptation measures to the new climate scenario, including the incorporation of technologies and changes in the operational bases. Another point would be the decrease in the demand for services, as a result of the choice of alternative fuels that have lower carbon emissions from consumers. It is also possible that there is a migration of investor resources to renewable energy and to a lesser emission of greenhouse gases.

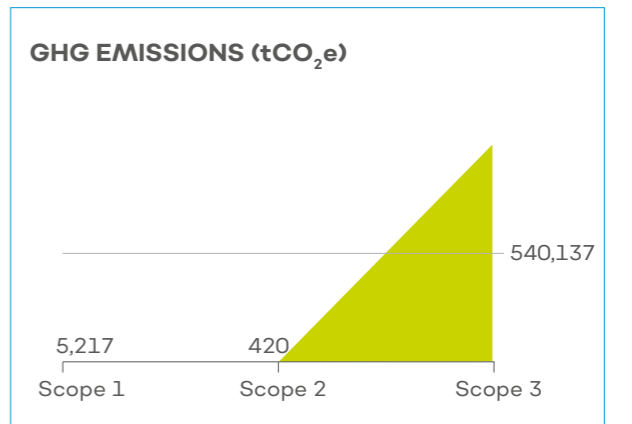
On the other hand, the impacts associated with opportunities related to climate changes show that the change in operating cost will depend on

the technology applied and the intensity of the improvement in efficiency; an increase in demand for attracting new customers and markets associated with the business; and winning new investors interested in cleaner and more efficient operations.

EMISSIONS

In 2018, scope 1 emissions (direct, under company control) totaled 5,217 tCO₂e, while scope 2 emissions (referring to electricity consumption) resulted in 420 tCO₂e, and scope 3 emissions (indirect, occurring in the chain of suppliers), in 540,137 tCO₂e.

The decrease of 72.3% in scope 1 (see table on the next page) is related to the shorter docking period of the drilling fleet (only one rig) and the end of the Norbe VI platform contract. The 55.9% increase in scope 3 is a direct consequence of the decrease in scope 1 and also of the emission volume computed by the FPSO Pioneiro de Libra, which operated during the entire 2018 year, compared to a smaller period in 2017.




GREENHOUSE GAS EMISSIONS (tCO₂e) |GRI 305-1, 305-2, 305-3|

| | 2017 ¹ | 2018 |
|---|-------------------|----------------|
| Combustion - fixed sources | 18,069 | 4,833 |
| Combustion - mobile sources | 698 | 292 |
| Fugitives - refrigeration | 30 | 85 |
| Fugitives - extinguishers | 0 | 2 |
| Combustion - cut and welding | 11 | 5 |
| Total Scope 1 (direct emissions) | 18,808 | 5,217 |
| Electric power | 668 | 420 |
| Total Scope 2 (energy purchase) | 668 | 420 |
| Products, goods and services purchased | 544 | 305 |
| Capital goods | 767 | 1 |
| Fuels purchased | 165 | 62 |
| T&D losses | 160 | 100 |
| Transportation of waste | 17 | 44 |
| Transportation of materials | 19 | 55 |
| Waste | 1 | 34 |
| Air travels | 11,236 | 8,149 |
| Transportation of employees | 28 | 1 |
| Operation of assets | 333,634 | 531,386 |
| Total Scope 3 (indirect emissions) | 346,571 | 540,137 |
| Overall total (1+2+3) | 366,047 | 545,774 |

¹ Some figures for the year have been corrected because the data for the calculation of Scope 1 and 3 emissions are not available on the closing date of RA 2017. |GRI 102-48|

INTENSITY OF GREENHOUSE GAS EMISSIONS |GRI 305-4|

| | 2017 tCO ₂ / active participants | 2018 tCO ₂ / active participants |
|---|--|--|
| Administrative Headquarters - Dynamic Organization | 81 | 154 |
| Offshore Production (Offshore Production Logistic Support Base + offshore units) | 6,415 | 3,328 |
| Offshore Services and Maintenance Logistic Support Base | 200 | 147 |
| Subsea Construction | 0 | 108 |
| Offshore Drilling (Logistic Support Base + offshore units) | 1,114 | 1,900 |
| Types of Greenhouse Gas emissions, included in the intensity rate | Scopes 1 and 2 | Scopes 1 and 2 |
| Gases included in the calculation | CO ₂ , CH ₄ , COVNM, NO _x , HF ₆ , SF ₆ , R-22, MP, POP e HAP | CO ₂ , CH ₄ , COVNM, NO _x , HF ₆ , SF ₆ , R-22, MP, POP e HAP |

GRI Standards Content Index

|GRI 102-55|

This report has been prepared in accordance with the GRI Standards: Core option |GRI 102-54|

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the Portuguese version of the report.



| Standards GRI | Disclosure | Page and/ or link | Omission | Global Compact | ODS | |
|--|--|----------------------|----------|-------------------|-----|--|
| GRI 101: Foundation 2016 | | | | | | |
| General disclosures | | | | | | |
| GRI 102: General disclosures 2016 | Profile | | | | | |
| | 102-1 Name of the organization | 7 | - | - | - | |
| | 102-2 Activities, brands, products, and services | 6 | - | - | - | |
| | 102-3 Location of headquarters | 7 | - | - | - | |
| | 102-4 Location of operations | 7 | - | - | - | |
| | 102-5 Ownership and legal form | 7 | - | - | - | |
| | 102-6 Markets served | 7 | - | - | - | |
| | 102-7 Scale of the organization | 7, 10 | - | - | - | |
| | 102-8 Information on employees and other workers | 33, 34, 35 | - | 6 | 8 | |
| | 102-9 Supply chain | 44 | - | - | - | |
| | 102-10 Significant changes to the organization and its supply chain | 4 | - | - | - | |
| | 102-11 Precautionary Principle or approach | 16 | - | - | - | |
| | 102-12 External initiatives | 25 | - | - | - | |
| | 102-13 Membership of associations | 25 | - | - | - | |
| | Strategy | | | | | |
| | 102-14 Statement from senior decision-maker | 4 | - | - | - | |
| | 102-15 Key impacts, risks, and opportunities | 16 | - | - | - | |
| Ethics and integrity | | | | | | |
| 102-16 Values, principles, standards, and norms of behavior | 13 | - | - | 16 | | |
| 102-17 Mechanisms for advice and concerns about ethics | 16 | - | 10 | 16 | | |

| Standards GRI | Disclosure | Page and/or link | Omission | Global Compact | ODS |
|-------------------------------|--|---|----------|----------------|-----|
| Governance | | | | | |
| 102-18 | Governance structure | 13 | - | - | - |
| 102-19 | Delegating authority | 13 | - | - | - |
| 102-23 | Chair of the highest governance body | 13 | - | - | 16 |
| 102-26 | Role of highest governance body in setting purpose, values, and strategy | 13 | - | - | - |
| 102-32 | Highest governance body's role in sustainability reporting | The Business Leader formally reviews and approves the information published in the Annual Report. | - | - | - |
| Stakeholder engagement | | | | | |
| 102-40 | List of stakeholder groups | 22, 27 | - | - | - |
| 102-41 | Collective bargaining agreements | 33 | - | 3 | 8 |
| 102-42 | Identifying and selecting stakeholders | 22 | - | - | - |
| 102-43 | Approach to stakeholder engagement | 27 | - | - | - |
| 102-44 | Key topics and concerns raised | 23 | - | - | - |
| Reporting practice | | | | | |
| 102-45 | Entities included in the consolidated financial statements | 3 | - | - | - |
| 102-46 | Defining report content and topic Boundaries | 22 | - | - | - |
| 102-47 | List of material topics | 24 | - | - | - |
| 102-48 | Restatements of information | 54 | - | - | - |
| 102-49 | Changes in reporting | Did not occur | - | - | - |
| 102-50 | Reporting period | 3 | - | - | - |

| Standards GRI | Disclosure | Page and/or link | Omission | Global Compact | ODS |
|---------------|---|------------------|----------|----------------|-----|
| | 102-51 Date of most recent report | 3 | - | - | - |
| | 102-52 Reporting cycle | 3 | - | - | - |
| | 102-53 Contact point for questions regarding the report | 3 | - | - | - |
| | 102-54 Claims of reporting in accordance with the GRI Standards | 55 | - | - | - |
| | 102-55 GRI content index | 55 | - | - | - |
| | 102-56 External assurance | 3 | - | - | - |

| Material Topics | | | | | |
|---|--|--------|---|---|----------------|
| GRI 200 Economic Standard Series | | | | | |
| Economic performance | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | 19, 24 | - | - | - |
| | 103-2 The management approach and its components | 16, 19 | - | - | - |
| | 103-3 Evaluation of the management approach | 16, 19 | - | - | - |
| GRI 201: Economic performance 2016 | 201-1 Direct economic value generated and distributed | 31 | - | - | 2, 5, 7, 8, 9 |
| | 201-2 Financial implications and other risks and opportunities due to climate change | 53 | - | - | 13 |
| | 201-3 Defined benefit plan obligations and other retirement plans | 38 | - | - | - |
| Indirect economic impacts | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | 24, 46 | - | - | - |
| | 103-2 The management approach and its components | 46 | - | - | - |
| | 103-3 Evaluation of the management approach | 46 | - | - | - |
| GRI 203: Indirect economic impacts 2016 | 203-1 Infrastructure investments and services supported | 47 | - | - | 2, 5, 7, 9, 11 |

| Standards GRI | Disclosure | Page and/or link | Omission | Global Compact | ODS |
|--|---|------------------|----------|----------------|--------------|
| Procurement practices | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | 24, 44 | - | - | - |
| | 103-2 The management approach and its components | 44 | - | - | - |
| | 103-3 Evaluation of the management approach | 44 | - | - | - |
| GRI 204: Procurement practices 2016 | 204-1 Proportion of spending on local suppliers | 44 | - | - | 12 |
| Anti-corruption | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | 13, 24 | - | - | - |
| | 103-2 The management approach and its components | 13, 16 | - | - | - |
| | 103-3 Evaluation of the management approach | 13, 16 | - | - | - |
| GRI 205: Anti-corruption 2016 | 205-1 Operations assessed for risks related to corruption | 14 | - | 10 | 16 |
| | 205-2 Communication and training about anti-corruption policies and procedures | 13 | - | 10 | 16 |
| | 205-3 Confirmed incidents of corruption and actions taken | 16 | - | 10 | 16 |
| Anti-competitive behavior | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | 13, 24 | - | - | - |
| | 103-2 The management approach and its components | 13, 43 | - | - | - |
| | 103-3 Evaluation of the management approach | 13, 43 | - | - | - |
| GRI 206: Anti-competitive behavior 2016 | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practice | 43 | - | - | 16 |
| GRI 300 Environmental Standards Series | | | | | |
| Energy | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | 24, 49, 50 | - | - | - |
| | 103-2 The management approach and its components | 49, 50 | - | - | - |
| | 103-3 Evaluation of the management approach | 49, 50 | - | - | - |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | 50 | - | 7, 8 | 7, 8, 12, 13 |
| | 302-2 Energy consumption outside of the organization | 50 | - | 8 | 7, 8, 12, 13 |

| Standards GRI | Disclosure | Page and/or link | Omission | Global Compact | ODS |
|--|---|------------------|----------|----------------|-------------------|
| Water and effluents | | | | | |
| GRI 103: Management Approach 2018 | 103-1 Explanation of the material topic and its Boundary | 24, 51 | - | - | - |
| | 103-2 The management approach and its components | 49, 51 | - | - | - |
| | 103-3 Evaluation of the management approach | 49, 51 | - | - | - |
| | 303-1 Interactions with water as a shared resource | 51 | - | 7, 8 | 6, 12 |
| | 303-2 Management of water discharge-related impacts | 51 | - | 7, 8 | 6 |
| GRI 303: Water 2018 | 303-3 Water withdrawal | 51 | - | 7, 8 | 6 |
| | 303-4 Water discharge | 51 | - | 8 | 6, 8, 12, 14, 15 |
| | 303-5 Water consumption | 51 | - | 8 | 6 |
| Emissions | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | 24, 53 | - | - | - |
| | 103-2 The management approach and its components | 49, 53 | - | - | - |
| | 103-3 Evaluation of the management approach | 49, 53 | - | - | - |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | 54 | - | 7, 8 | 3, 12, 13, 14, 15 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | 54 | - | 7, 8 | 3, 12, 13, 14, 15 |
| | 305-3 Other indirect (Scope 3) GHG emissions | 54 | - | 7, 8 | 3, 12, 13, 14, 15 |
| | 305-4 GHG emissions intensity | 54 | - | 8 | 14, 15 |
| Effluents and waste | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | 24, 51 | - | - | - |
| | 103-2 The management approach and its components | 49, 51, 52 | - | - | - |
| | 103-3 Evaluation of the management approach | 49, 51, 52 | - | - | - |
| GRI 306: Effluents and waste 2016 | 306-2 Waste by type and disposal method | 52 | - | 8 | 3, 6, 12 |
| | 306-3 Significant spills | 49 | - | 8 | 3, 6, 12, 14, 15 |
| | 306-4 Transport of hazardous waste | 52 | - | 8 | 3, 12 |

| Standards GRI | Disclosure | Page and/or link | Omission | Global Compact | ODS |
|---|--|------------------|----------|----------------|------|
| Environmental compliance | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | 13, 49 | - | - | - |
| | 103-2 The management approach and its components | 13, 49 | - | - | - |
| | 103-3 Evaluation of the management approach | 13, 49 | - | - | - |
| GRI 307: Environmental compliance 2016 | 307-1 Non-compliance with environmental laws and regulations | 49 | - | 8 | 16 |
| Supplier environmental assessment | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | 24, 44 | - | - | - |
| | 103-2 The management approach and its components | 44 | - | - | - |
| | 103-3 Evaluation of the management approach | 44 | - | - | - |
| GRI 308: Supplier environmental assessment 2016 | 308-2 Negative environmental impacts in the supply chain and actions taken | 45 | - | 8 | - |
| GRI 400 Social Standards Series | | | | | |
| Occupational health and safety | | | | | |
| GRI 103: Management Approach 2018 | 103-1 Explanation of the material topic and its Boundary | 24, 39 | - | - | - |
| | 103-2 The management approach and its components | 39 | - | - | - |
| | 103-3 Evaluation of the management approach | 39 | - | - | - |
| | 403-1 Occupational health and safety management system | 39 | - | - | 3 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | 40 | - | - | 3, 8 |
| | 403-4 Occupational health services | 40 | - | - | 3, 8 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | 40 | - | - | 8 |
| | 403-5 Worker training on occupational health and safety | 41 | - | - | 3, 8 |
| | 403-6 Promotion of worker health | 38 | - | - | 3, 8 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 39 | - | - | 3, 8 |

| Standards GRI | Disclosure | Page and/or link | Omission | Global Compact | ODS |
|--|---|------------------|----------|----------------|----------|
| GRI 403: Occupational health and safety 2018 | 403-8 Workers covered by an occupational health and safety management system | 39 | - | - | 3, 8 |
| | 403-9 Work-related injuries | 42 | - | - | 3, 8 |
| | 403-10 Work-related ill health | 41 | - | - | 3, 8 |
| Training and education | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | 24, 33, 37 | - | - | - |
| | 103-2 The management approach and its components | 33, 37 | - | - | - |
| | 103-3 Evaluation of the management approach | 33, 37 | - | - | - |
| GRI 404: Training and education 2016 | 404-1 Average hours of training per year per employee | 37 | - | 6 | 4, 5, 8 |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | 33 | - | 6 | 8 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | 33 | - | 6 | 5, 8 |
| Diversity and equal opportunity | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | 24, 36 | - | - | - |
| | 103-2 The management approach and its components | 33, 36 | - | - | - |
| | 103-3 Evaluation of the management approach | 33, 36 | - | - | - |
| GRI 405: Diversity and equal opportunity 2016 | 405-1 Diversity of governance bodies and employees | 35, 36 | - | 6 | 5, 8 |
| Non-discrimination | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | 13, 24, 36 | - | - | - |
| | 103-2 The management approach and its components | 13, 33, 36 | - | - | - |
| | 103-3 Evaluation of the management approach | 13, 33, 36 | - | - | - |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | Did not occur. | - | 6 | 5, 8, 16 |

| Standards GRI | Disclosure | Page and/ or link | Omission | Global Compact | ODS |
|---|---|----------------------|----------|-------------------|-------|
| Freedom of association and collective bargaining | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | 24, 33 | - | - | - |
| | 103-2 The management approach and its components | 33 | - | - | - |
| | 103-3 Evaluation of the management approach | 33 | - | - | - |
| GRI 407: Freedom of association and collective bargaining 2016 | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 33 | - | 3 | 8 |
| Child labor | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | 24, 44 | - | - | - |
| | 103-2 The management approach and its components | 44 | - | - | - |
| | 103-3 Evaluation of the management approach | 44 | - | - | - |
| GRI 408: Child labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | 45 | - | 5 | 8, 16 |
| Forced or compulsory labor | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | 24, 44 | - | - | - |
| | 103-2 The management approach and its components | 44 | - | - | - |
| | 103-3 Evaluation of the management approach | 44 | - | - | - |
| GRI 409: Force or compulsory labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | 45 | - | 4 | 8 |
| Local communities | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | 24, 46 | - | - | - |
| | 103-2 The management approach and its components | 46 | - | - | - |
| | 103-3 Evaluation of the management approach | 46 | - | - | - |
| GRI 413 Local communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | 46 | - | 1 | - |

| Standards GRI | Disclosure | Page and/ or link | Omission | Global Compact | ODS |
|---|---|--|----------|-------------------|----------|
| Supplier social assessment | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | 24, 44 | - | - | - |
| | 103-2 The management approach and its components | 44 | - | - | - |
| | 103-3 Evaluation of the management approach | 44 | - | - | - |
| GRI 414: Supplier social assessment 2016 | 414-2 Negative social impacts in the supply chain and actions taken | 45 | - | 2 | 5, 8, 16 |
| Public policy | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | 13 | - | - | - |
| | 103-2 The management approach and its components | 13 | - | - | - |
| | 103-3 Evaluation of the management approach | 13 | - | - | - |
| GRI 415: Public policy 2016 | 415-1 Political contributions | 14 | - | 10 | 16 |
| Socioeconomic compliance | | | | | |
| GRI 103: Management Approach 2016 | 103-1 Explanation of the material topic and its Boundary | 13 | - | - | - |
| | 103-2 The management approach and its components | 13 | - | - | - |
| | 103-3 Evaluation of the management approach | 13 | - | - | - |
| GRI 419: Socioeconomic compliance 2016 | 419-1 Non-compliance with laws and regulations in the social and economic area | There were no significant non-monetary fines or penalties in the year. | - | - | 16 |

10 Principles of UN Global Compact



Human Rights



Businesses should support and respect the protection of internationally proclaimed human rights; and



make sure that they are not complicit in human rights abuses.

Labor



Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;



the elimination of all forms of forced and compulsory labor;



the effective abolition of child labor; and



the elimination of discrimination in respect of employment and occupation.

Environment



Businesses should support a precautionary approach to environmental challenges;



undertake initiatives to promote greater environmental responsibility; and



encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption



Businesses should work against corruption in all its forms, including extortion and bribery.

Sustainable Development Goals – The United Nations 2030 agenda



Corporate information

Board of directors

(Composition on December 31st, 2018)

Luciano Guidolin – **President**

Daniel Bezerra Villar

André Amaro da Silveira

José Coutinho Barbosa

Roberto Prisco Paraíso Ramos

João Pinheiro Nogueira Batista

Hatem Soliman

Antonio Marco Campos Rabello

Nir Lander – **Responsible for Compliance**

Executive board

Roberto Lopes Pontes Simões*
Business Leader

Heitor Luiz Gioppo*
Chief Offshore Drilling Officer

Jorge Luiz Uchoa Mitidieri*
Chief Offshore Services and Maintenance, Offshore Production and Subsea Construction Officer

Guilherme Pacheco de Britto
Legal Counsel

José Claudio Breviglieri Grossi*
Responsible for Planning, People Support and Communication

Marco Aurelio Costa Cruz Fonseca
Responsible for Sustainability Support

Rogério Luis Murat Ibrahim*
Responsible for Finance and Investment Support

*Statutory officers

Addresses

Headquarters

Avenida Cidade de Lima, 86, salas 501 e 502
Santo Cristo – Rio de Janeiro – RJ
CEP 20220-710

Logistic Support Base (Offshore Drilling and Offshore Services and Maintenance)

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