



ANNUAL REPORT

2019





Presentation

[GRI 102-45, 102-50, 102-51, 102-52, 102-53, 102-56]

This document was prepared based on the Global Reporting Initiative Standards (GRI), as essential option. Since 2014, Ocyan publishes its results annually, and the last report, with information from 2018, was published in May 2019.

The content covers the period from January 1st to December 31st, 2019, 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.

The document the six themes most relevant to the business, pointed out in a materiality study conducted in 2016, and relates the action taken with the ten principles of the Global Compact, an initiative of the United Nations (UN) that the company voluntarily supports, and the Sustainable Development Objectives (ODS), which make up the UN Agenda for 2030. These topics are detailed in the item Materiality Process, on page 52.

The financial statements of Ocyan S.A., for the fiscal year ended December 31st, 2019 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 auditor, which issued the report with no reservation pointed out on February 27th. 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.

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).

The expectations for 2020 in this annual report does not includes the impact of the pandemic coronavirus, Covid-19. As of the date this report be published, it was still unclear how the spread of this virus and measures adopted by governments authorities would affect Ocyan business and the global economy.

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.



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A Message of the President

|GRI 102-14|

The year of 2019 marked the operational excellence consolidation of Ocyan. It was a year of hard work, but also of benefit from the lessons and improvements made over the past few years. We have improved in safety areas, which was the biggest challenge in our Action Program, by achieving the best number related to incident records in the company's history. Today we are a company that set standard in health and safety in the global oil and gas sector. We have earned the respect and trust of customers, and the best result in image and reputation in many years.

From an economic-financial point of view, it was a year of opportunities retaken, which will certainly be the theme for 2020. We signed a two-year contract with Petrobras, our main client, for an offshore drilling project with the rig Norbe VI. This achievement, the first one after Ocyan was unblocked from Petrobras' list of registrations, reinforces the confidence in the excellence of our services. We emphasize that all assets performed above the targets agreed for the year, reaching prominent positions in the customer performance evaluation systems. We managed to keep the EBITDA very close to the last year result, totaling 1.66 billion BRL, and net revenue of 2.6 billion BRL, even with a rig out of contract.

However, it was a difficult year for the Offshore Maintenance and Services Business. This is a sector that has been aggrieved over the past few years, affected by the shrinking of oil and gas market, as a sector. We had to adjust ourselves to this new scenario. We had to reduce the number of employees

– action necessary to the business survival – and we are working to diversify our services.

In this sense, it is worth mentioning the advances we have made in terms of innovation, with processes and projects structured on several fronts. One of the highlights, is the Ocyan Waves Challenge, the first program on the Ocyan Waves rig, with the participation of 123 Brazilian startups, enrolled in 2019.

The good care of the members was another point intensified in 2019, with several improvement initiatives implemented. We restructured the Planning & People area, in order to improve processes and be aligned with the company's development strategy. We created the People and Diversity & Inclusion committees and we are mapping the growth opportunities linked to these subjects. We conducted an executive assessment with directors and managers and imparted more than 103,000 hours of training for all members. We invested in health and well-being and increased the maternity and paternity leave.

I would also like to highlight the 12 years of the *Escola em Ação* program, the main social responsibility program of the company. The actions developed since 2007 have already benefited more than 26 thousand children and adolescents in the municipalities of Macaé and Rio de Janeiro. We have supported many initiatives during this period in order to bring more quality education to the

communities, aiming the cultural and intellectual development of young people who were socially vulnerable.

Finally, our commitment to the Global Compact and the Sustainable Development Goals was reinforced with the launch of an institutional video addressed to all members, which we use to emphasize the main points addressed in this report and its implications for the planet sustainability. Among them, we highlight compliance guidelines, such as business ethics and transparency in communication with stakeholders – pillars that have been solidified in the company's strategy in recent years – , as well as responsible management, with respect to society and the environment and the conscious use of natural resources.

There is no doubt that 2019 was a great year for Ocyan. Proving that the combination of discipline and efficient planning can produce good results. More than ever, we are prepared to take advantage of the opportunities that this new scenario presents us. We have integrated services of excellence, a modern and sustainable management system and, most importantly, we have determined and highly trained people.

Thanks everyone and keep on the good work!

Roberto Bischoff
President – Business Leader





Ocyan

[GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7]

Ocyan offers to his clients and business partners services 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.

With 100% of the share capital controlled by Odebrecht S.A. and 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 five drilling units, being four drilling vessels and one semi-submersible platform, in addition to two Floating Production Storage and Offloading (FPSO) platforms.

In December 2019, the company was supported by

2,068
employees.

Its net revenue in the year reached the amount

In billion of 2,6 BRL

The EBITDA amount was

In billion, 1,66 BRL,
being 5,1% less than in 2018 (in billion, 1,75 BRL), with an EBITDA margin of 63,7% versus 61,4% in 2018.

[GRI 102-16]

Purpose

- Excellence pursuing the energy that boosts the world.

Values

- **Safety comes in first place:** We take all the necessary action to preserve the life of our members and of the whole environment.
- **Trustworthy Partnership:** We are committed to our customers, we deliver everything we promise, and this is how we build a trust relationship.
- **Commitment:** We act with ethics and transparency. We know the importance of acting in a sustainable way for the development of humanity.

Our personality

- Transparency
- Technical Capacity
- Determined

Our target

- Upstream oil and gas companies that looks for a partner with strategic vision and technical capacity to propose excellence solutions that will boost your business. [GRI 102-6]



Highlights of 2019

Institutional

- Launch of Ocyan's purpose: Excellence pursuing the energy that boosts the world.

Compliance

- The company was recognized, for the second consecutive year, with the *Building Awareness Champion*, an initiative that evaluates corporate actions to disseminate the importance of internal auditing in favor of good practices adopted in the market. This award is given annually by The Institute of Internal Auditors (IIA), based in the USA, the world's largest representative of internal auditors.

Sustainability

- Best safety performance in Ocyan's history: with a frequency rate of 0,58 incidents per million hours worked.

People

- Achievement of the Great Place to Work certificate, reaching a confidence index of 72 points out of 100;
- Creation of the People Committee to support the succession plan process within the company;
- Launch of the Diversity & Inclusion Program, with the Letter of Commitment signed by the CEO;
- Creation of the Diversity Committee, with two pillars of action: Gender Equity and People with Disabilities;
- Extension of maternity and paternity leave and implementation of flexible hours for women returning from maternity leave.

Finance

- Improvement of economic performance (EBITDA margin of 64%), income generated by the operations of 1,66 billion BRL);
- Reduction of financial exposure, with negative net debt in the parent company;
- Contract termination and sale of the ODN Delba III semi-submersible rig;
- Contract termination and sale in the participation of the PLSVs business to TechnipFMC.

Operational

- Best operational performance in Ocyan's history, with all assets performing above the rates agreed in the Action Program;
- Achievement of Certification of Owned Equipment Inspection Service (SPIE, in Portuguese) by the Drilling Business Unit.

Customers

- Reconquering the confidence of our client, Petrobrás.
- Recognition as the best performing fleet by Petrobras, occupying the first four places at *Sondópolis* for drilling rigs, and the first and third places in *Barcópolis* for PLSV.

Communication and image

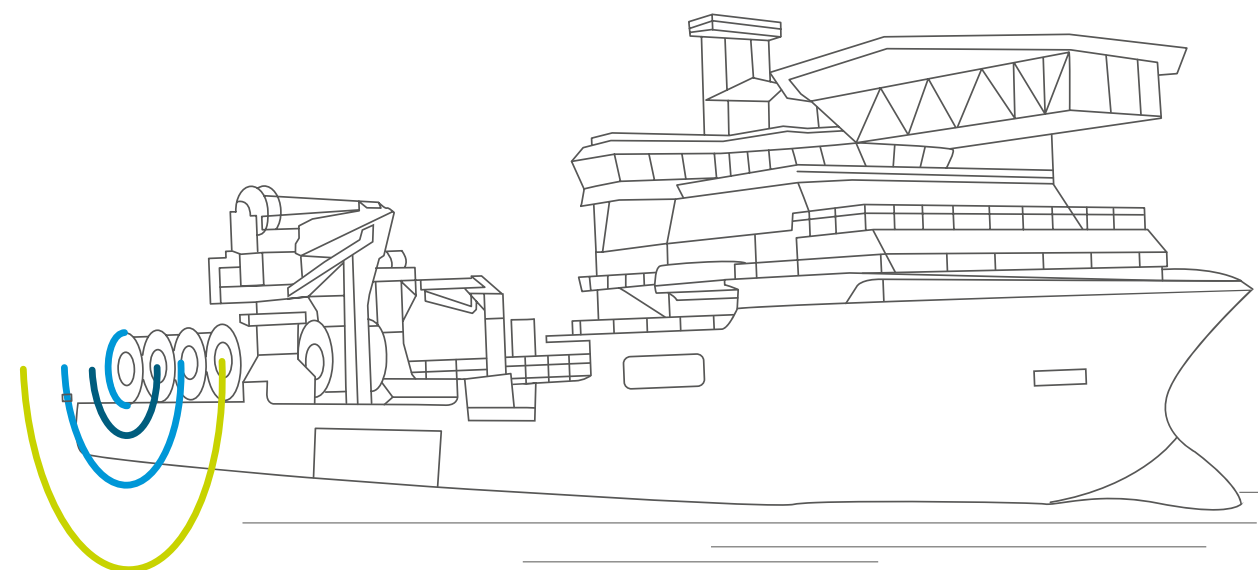
- Best positive exposure since the creation of Ocyan, with an A rating accumulated in the year;
- Ocyan directors are elected to the presidency of IADC Brazil and to the Board of ABESPetro.

Technology & innovation

- Partnership with the Canadian company Tube-Mac to offer new technology to the oil and gas and petrochemical market in Brazil, enabling the installation and assembly of pipes weldless, using cold connections (called Pyplok);
- Creation of DigMOB, a logistics application that brought efficiency and agility gains to the processes for receiving, identifying and dispatching materials to the rigs;
- The Company was reference in Open Innovation, in the 3rd edition of the Entrepreneurial Challenge, held by CRIOS-UFRJ (Reference Center in Innovation for Sustainable Operations).

Society

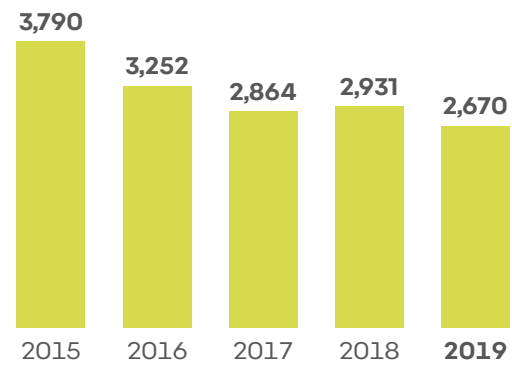
- The program *Escola em Ação* turns 12; with around 2 thousand students benefited in 2019, more than 80 volunteers involved, and six schools covered.



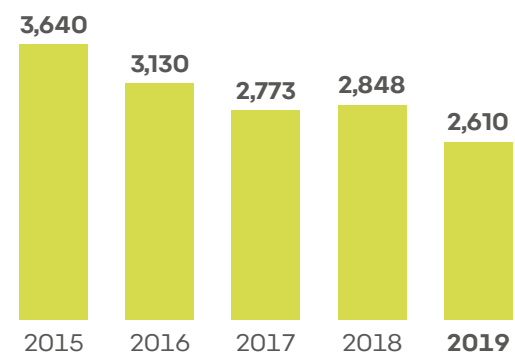
Main indicators

REVENUE (BRL million)

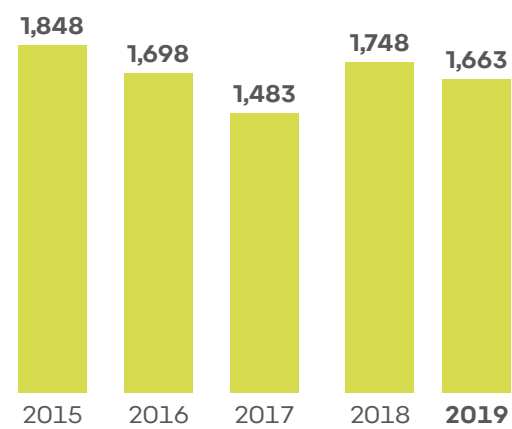
GROSS REVENUE



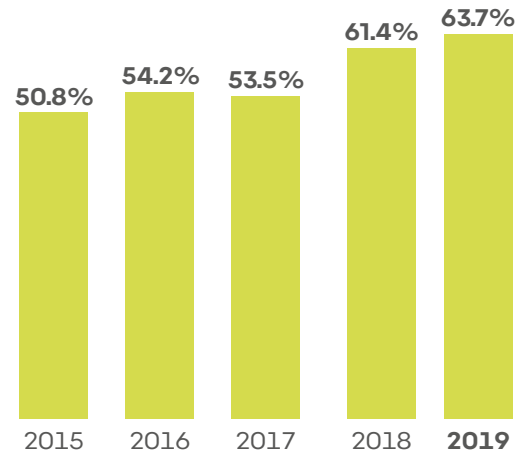
NET REVENUE



EBTIDA

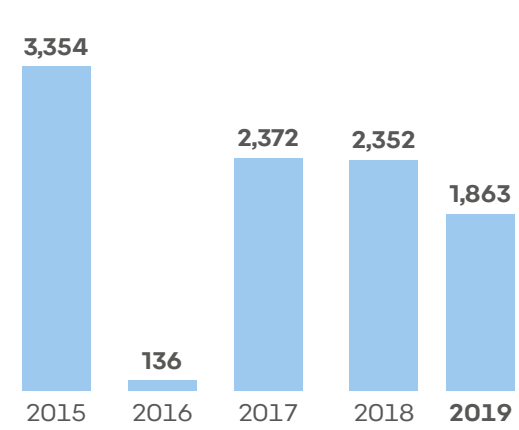


EBITDA MARGIN

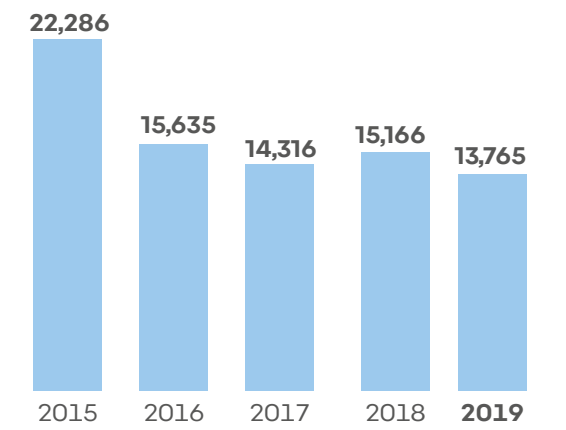


FINANCE (BRL million)

SHAREHOLDERS' EQUITY

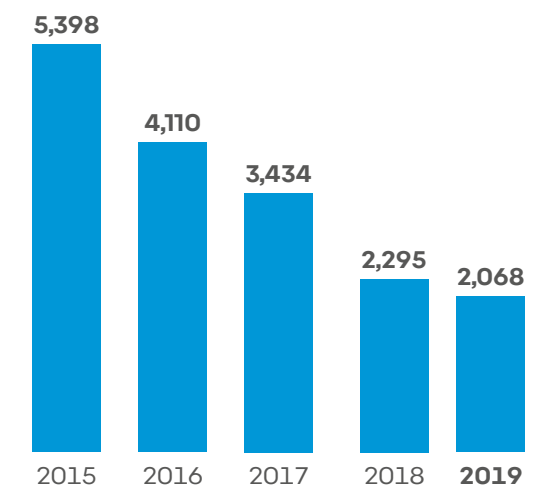


TOTAL ASSETS



PEOPLE

EMPLOYEES





Corporate governance

Ocyan is a privately held company, whose shareholding control (100%) belongs to the Odebrecht Group. Its operating strategy is guided by institutional laws and decrees that govern the oil and gas industry in Brazil and worldwide, in addition to its own guidelines and other documents approved in Assembly by its Board of Directors.

Among them, we highlight the Governance Policy, the Code of Conduct and the Third-Party Code of Conduct, Compliance Policy on Ethical, Integral and Transparent Performance and the Commitment to fight Corruption. All of these documents are available for reading and / or download: www.ocyan-sa.com/pt-br/conformidade. **[GRI 102-16]**

Governance structure

[GRI 102-18, 102-19, 102-22, 102-23, 102-26]

Ocyan's governance structure consists of the Board of Directors (BD), three permanent advisory committees and the Executive Board.

It is the responsibility of the Board of Directors to direct and guide the business in relation to economic, social, and environmental topics, establishing strategic guidelines that will be performed by the Board. In 2019, it was made up by eight acting members – all appointed by the shareholder –, two of them are independent by the end of 2019. None holds an executive position, including the president. The BD was also responsible for electing the members of the Executive Board and the Business Leader.

The Permanent Advisory Committees are made up by counsels that advice the Board of Directors and support their management decisions. They are: Finance and Investment Committee; Culture, People, Communication and Sustainability Committee; and Compliance and Auditing Committee.

Compliance

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

Ocyan reinforces its ethical commitment in all its relationships, promoting transparency in its activities and the strengthening of its organizational values and principles, being essential for the company's Survival, Growth and Perpetuity.

The fulfillment of these commitments is ensured by the Ocyan Integrity Program, managed by the Compliance Board, made up of nine members, in addition to the Compliance and Audit Committee, made up of two directors, one of whom is independent.

In addition to hiring market professionals to compose the Compliance Board, the members of the area regularly participate in events, collective actions and meetings in general promoted by sector entities and consultancies, allowing Ocyan to always keep updated on market practices.

One of the guidelines expressed in the Compliance Policy is the forbidden on financial contributions to politicians and political parties, even in countries where such contributions are authorized. In 2019 no such contributions were made. **[GRI 415-1]**

Compliance system

PA fundamental part of the entire integrity process and one of the consequences of the Compliance Policy, Ocyan's Compliance System is composed of a set of measures designed to guide, prevent, detect, interrupt and remedy irregularities, in a structured, continuous manner and sustainable, within the best market practices.

Always looking for innovative solutions, the Compliance System has tools that assist the training and development of all members, including the offshore members. For example, the self-service terminals (digital totem) scattered

through the assets in order to enable real-time access to information and make possible the interaction between all the business areas.

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

In 2019, it was held a refresher training about the main concepts of Ethical Policy, Integrity and Transparent Performance for senior management and eligible members of the company, with content suitable to attend each audience. In addition, specific training was imparted to the areas and members more sensitive to the risks identified. It was also imparted training for third parties under medium and high level risk. Of the total members, 92% received anti-corruption training in the year, in addition to 100% of advisors. **[GRI 205-2]**

The adjustments to the Compliance System throughout 2019 focused on the use of technology as an ally to increase the reach of training and actions, creating the Annual Declaration of Conformity, the Checklist of the Members and the Supplier Risk Monitoring Form. There was also a specific focus on areas classified as Gatekeepers, for which was conducted a presentational training showing the most common risks and how to reduce them.

Ethics Agents

In 2019, Ocyan started the pioneering training of its Ethics Agents, voluntary internal influencers who support the company's compliance work, to study and assess human behavior in a predictive manner. The idea, which represents an advance in the Compliance System and is being developed in partnership with the Behavioral Risk Research Institute (IPRC), aims to enable these agents to assess possible misconduct among members that could bring risks to the operations.

The IPRC course comprises three modules that seek to better understand the behavior of a dishonesty person and a better understanding on



diversity discrimination, in addition to corporatism and the pillars of a compliance program focused on people. With the first edition of the training concluded, 30 ethics agents are ready to support the company in detecting signs of such behaviors.

Communication Mechanisms

Ocyan has 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.

We can list the main ones: The Compliance area e-mail (conformidade@ocyan-sa.com); Ocyan Portal (intranet); Corporate website (<http://www.ocyan-sa.com/pt-br/conformidade>); the Ethics Committee, composed by four directors of the Board of Directors and coordinated by the Compliance director; Ethics Line Channel (<http://www.linhadeeticaocyan.com.br>) and the telephone numbers 0800-3778020 and +55 11 2739-0985, (Service provided by an independent and specialized company, ensuring absolute confidentiality and non-retaliation to the person who reported the issue. On the institutional site, there is also the option Contact Us, through which

you can contact Ocyan to submit suggestions, questions, complaints, or criticisms.

The Ethics Line Channel, an exclusive and confidential tool for safe communication (anonymous or not) of behaviors that breach Ocyan's Code of Conduct or any policy, guideline, internal regulation or laws in force, completed two years in April 2019. During the year, it was reported 139 cases, among these, 61 cases were investigated, of which 21 were considered appropriate (35%) and 35 were considered unfounded (57%), and 5 (8%) were still under analysis by the end of the year.

All records are received and previously analyzed by an independent company before being forwarded exclusively to the Compliance area, which investigates the facts with independence and confidentiality, preserving the identity of those involved. If there is evidence of irregularity, it is applied disciplinary measures, which vary according to the impact and the involvement level of those responsible for such irregularity.

No cases of corruption were found in the year; likewise, there were also no lawsuits filed for unfair competition or anti-trust and monopoly practices or fines for non-compliance with laws and regulations in the social and economic areas. **[GRI 102-17, 205-3, 206-1, 419-1]**

DISCIPLINARY MEASURES – ETHICS LINE CHANNEL

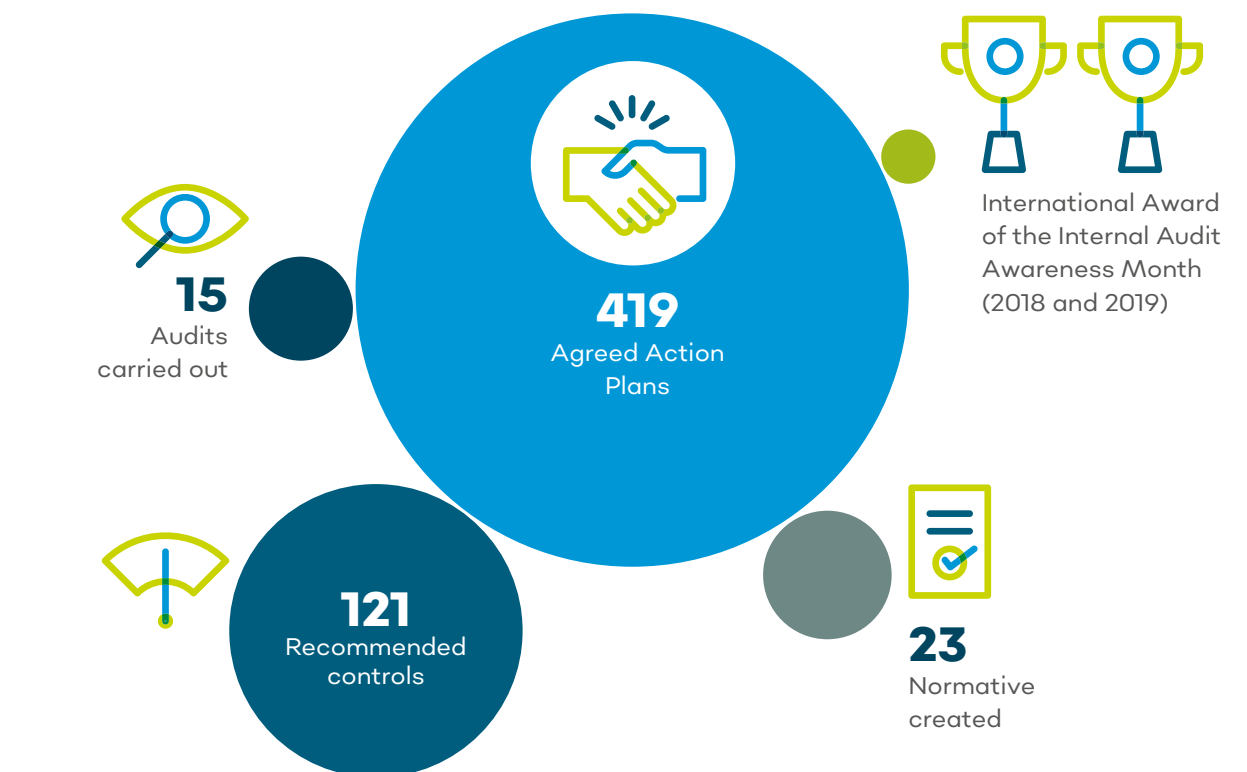


Internal Audit

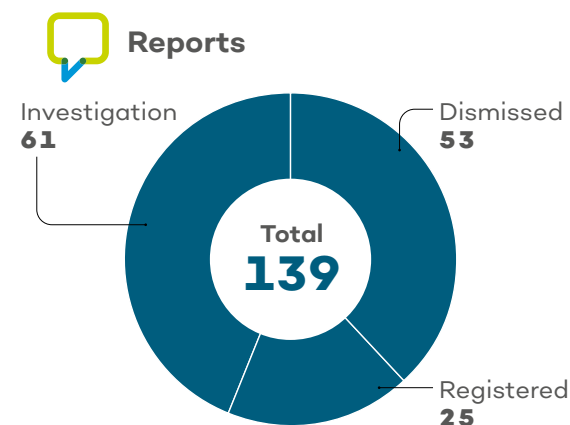
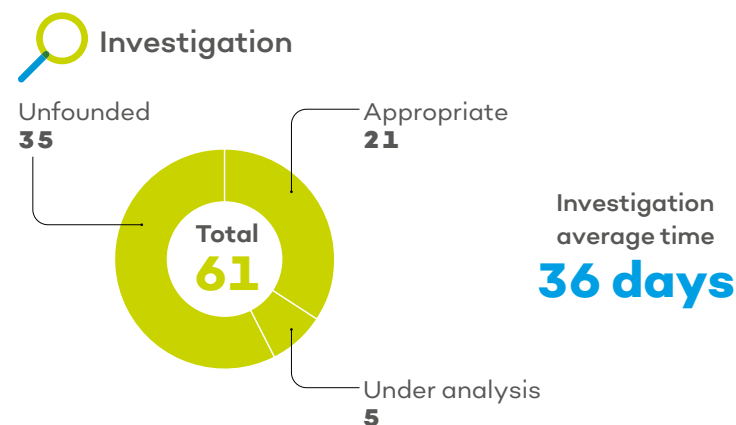
Ocyan's Compliance System also has the Internal Audit area, designed to add value to the operations. It aims to help the company achieve its objectives through a systematic and disciplined approach in order to evaluate and improve the efficiency of risk management, internal controls, and governance processes. It reports directly to the Audit and Compliance Committee of the Board of Directors.

In 2019, for the second year in a row, the Internal Audit of 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.

3 YEARS RETROSPECTIVE (2017-2019)



ETHICS LINE CHANNEL – RECORDS



External Initiatives

[GRI 102-12, 102-13]

Ocyan makes part of councils and committees and actively participates in discussions in sectoral and class entities, national and international, on topics of interest to its business and to the country's socioeconomic development. It's position and proposals are made in a transparent and objective manner and based on their values and principles. These include: The Brazilian Association of Petroleum Service Companies (Abespetro); Brazilian Association of Oil Drills (Abrapet); Brazilian Institute of Oil, Gas and Biofuels (IBP); International Association of Drilling Contractors (IADC); and the American Chamber of Commerce in Rio de Janeiro (Amcham).

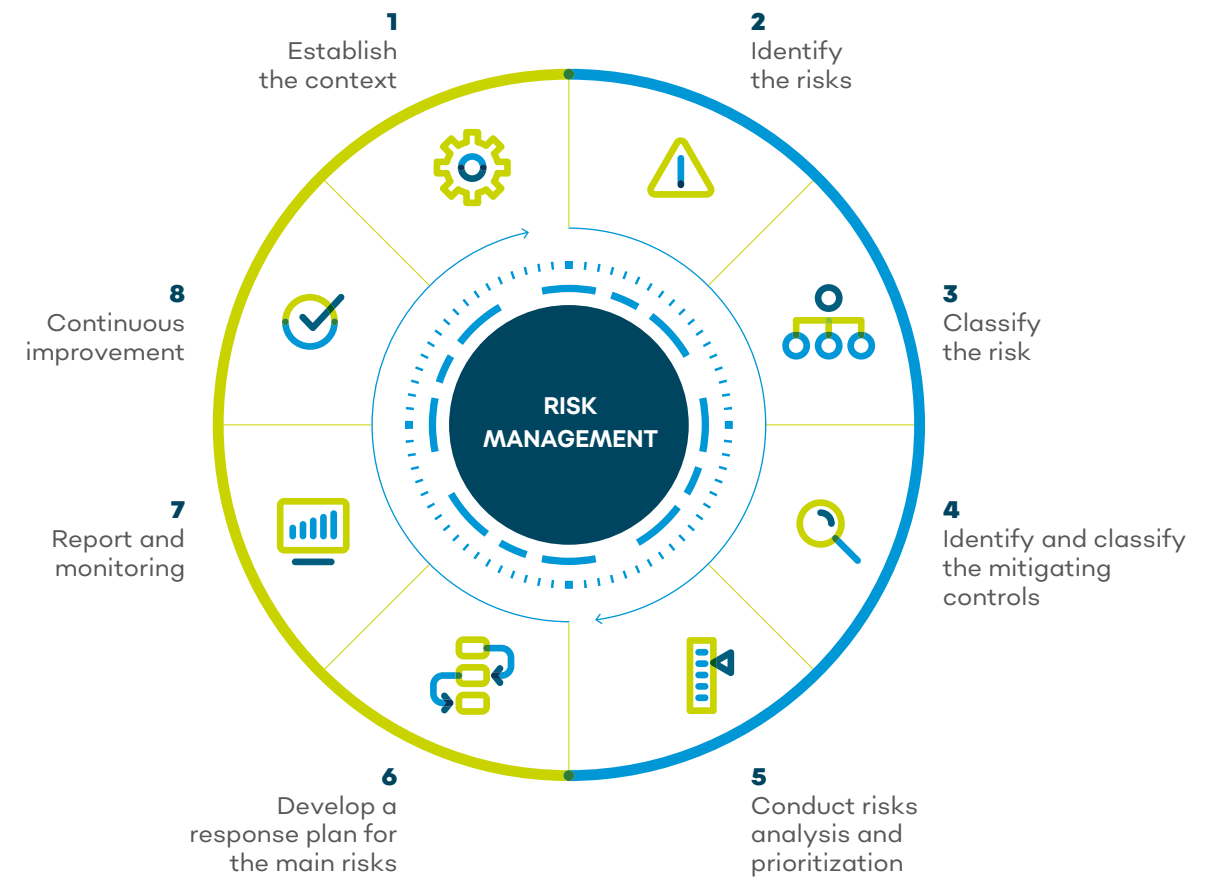
Among the highlights of 2019, is the appointment of two statutory directors of Ocyan to leadership positions in important entities for the Brazilian oil and gas sector. Heitor Gioppo, superintendent director of Offshore Drilling, took the presidency of the International Association of Drilling Contractors Brazil (IADC); and Jorge Mitidieri,

superintendent director of Offshore Production, Submarine Construction and Maintenance and Offshore Services, got a director's chair at the Brazilian Association of Oil Service Companies (Abespetro).

Executives started at the new positions in January 2020, with a two-year term. The choice reinforces Ocyan's important position in the oil and gas sector.

Voluntary commitments

Ocyan also spontaneously integrates many external commitments relevant to the country's sustainable development, becoming a signatory to the following initiatives: The UN Global Compact; Integrity and Anti-Corruption Business Pact; the Open Letter to Brazil on Climate Change; Oil, Gas and Biofuels Industry Integrity Pact (IBP); Business Movement for Integrity and Transparency.



Risk management

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

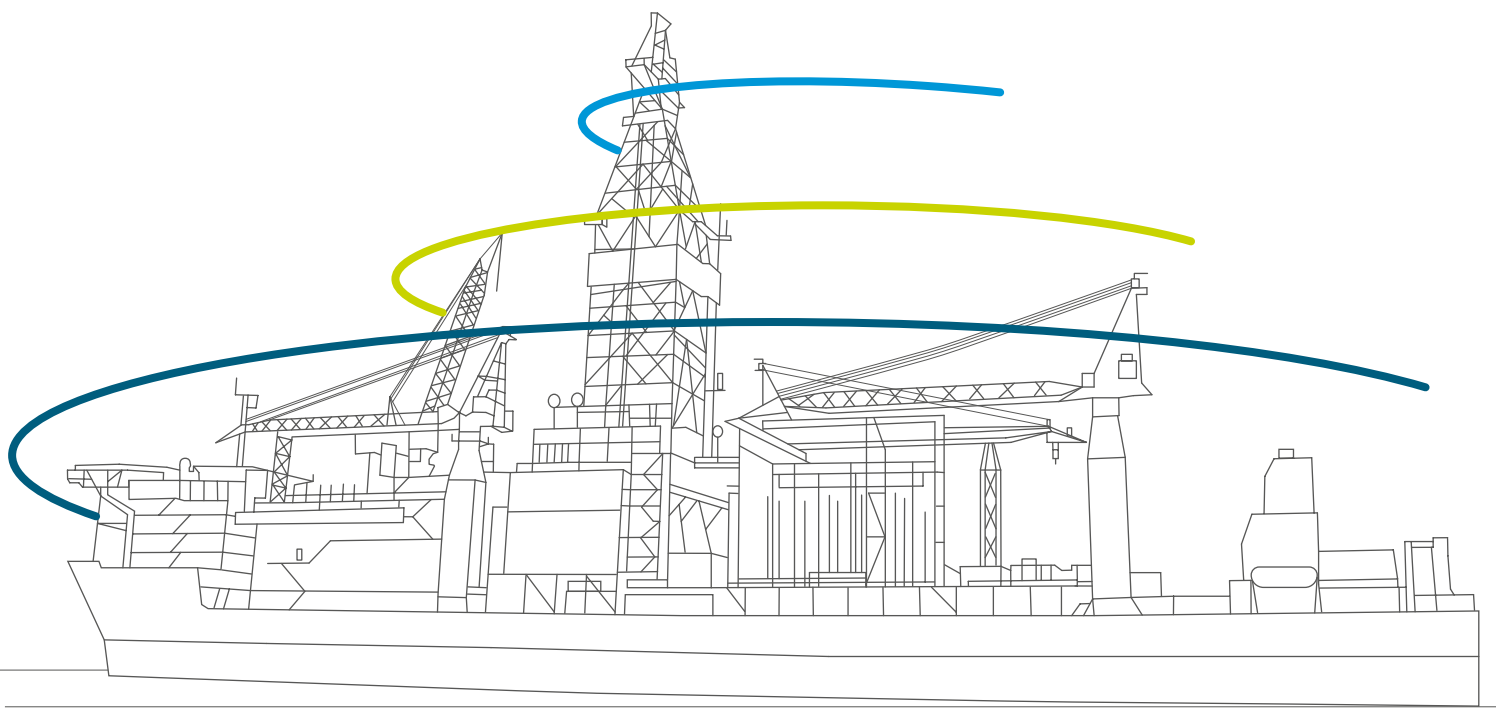
Aligned with the best market practices, Ocyan has been consistently improving its risk management processes and practices, through the Risk Management Policy in addition to a specific working group to address the issue. The document refers about the definition of a context, identification, assessment, prioritization, treatment, communication, and monitoring of the risks of the business activity.

The Risk Management Group, which reports directly to the Business Leader, is made up by professionals from different areas of the company. The aspects raised during the assessment are arranged in a risk matrix, in four areas of concentration: Strategic, Financial, Occupational and Compliance. The criteria for these risk prioritizations follow the metrics defined for frequency and impact (occupational, environmental, operational, image, and financial).

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. Besides that, the company established that new projects shall be submitted to a risk assessment prior to the submission of proposals.

In 2019, it was carried out a monitoring work and risk assessments related to the Drilling Business Unit. The method was based on methodological references of ABNT NBR ISO 31000: 2009/2018 and Coso – Enterprise Risk Management 2017.

Ocyan also adopt many 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]





Strategic vision

Business orientation

[GRI 103-2, 103-3]

In order to provide continuous development and business continuity, Ocyan relies on a solid strategic management, supported by the pillars of operational excellence, innovation, human capital development and financial and socio-environmental responsibilities.

The growth strategy considers the inherent risks of the business, the vision of stakeholders and the environment in which the company operates, covering regulatory, socio-cultural, macroeconomic and technological factors. In addition, the socio-environmental responsibility is integrated into the strategy and to all the guidelines that orientate the company management.

The commitment to ethics and transparency, and a partnership of trust with customers are embedded in its DNA and are inalienable values to reach the goals. 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 complex operation of oil rigs, combining expertise, the use of state-of-the-art technologies, and professional excellence.

In Brazil, its growth strategy is focused on two principles: diversifying its client portfolio and developing new services. For that, the company is looking for new partnerships, including international companies that are starting to operate in the country. Internationally, it has been studying markets of interest that could bring good opportunities for geographic expansion.

Ocyan purpose [GRI 102-16]

As result of the work carried out by the Communication area in 2019, and which involved several company leaders, the Ocyan Purpose was launched in early 2020. With the positioning “**Excellence pursuing the energy that boosts the world**”, the company aims to engage the members and reinforce its position as an important agent in the sector, as well as the fundamental daily role of its internal public in deliveries to customers and society as a whole. The purpose is to inspire and guide the company in its main actions.

The Ocyan purpose, which from now on becomes part of the company's DNA, brings excellence as a transversal attribute that guides the Ocyan way of operating, reinforcing its technical capacity; and the search for energy that boosts the world to present its reason for existing, fully and humanly showing the company's contribution to the planet.

Goals for three-year period (2020–2022)

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, reputable for operational excellence, focusing on customer diversification, operational excellence, financial health, and adequate risk management, that allows us to develop the necessary partnerships and a capital structure appropriate for its growth, both in Ocyan consolidator and in business.

Strategic agenda 2020

Sustainability

- Recordable Incident Frequency Rate (TFIR): 0.80;
- Leakage into the Sea Index (IVM): 100%;
- High potential Incident Frequency Rate: 2.18;
- + 10% increase in the number of volunteers in 2019 for the *Escola em Ação* program;
- Reach 700 students in the third year of high school.

Finance

- To ensure the performance of Drilling rigs, generating the results assumed;

New Contracts and partnerships

- New contracts award;
- Seek strategic partnerships in order to enable access to capital and allow the company to grow.

People

- Implement a strategic leadership development program;
- To implement diversity actions, encouraging an inclusive, non-discriminatory and meritocratic work environment, with respect to human rights and differences between people.

Communication and image

- Implement and monitor the Integrated Communication strategic plan (internal and external) with a focus on consolidating and strengthening the brand among target stakeholders, as well as strengthening the Purpose and Values;
- Strengthening internal communication by launching new tools and communication channels with the members.

Compliance

- Comply with all the recommendations of independent monitors, internal auditing and the agreement with the Brazilian Government Accountability Office (CGU) and the Brazilian Federal Attorney General's Office (AGU).

Risk management

- Risk management practice throughout the company, both in the corporate and business units.



Innovation

Ocyan has started important work initiatives in technology and innovation in the past 12 months, in order to increase the management efficiency in all areas of the company. The objective of the Digital Transformation Program, implemented late in 2018 and intensified during 2019, is to raise the safety standard, with a focus on operational excellence, generating new business with this competitive advantage.

Ocyan is also the first supplier focused on innovative solutions in the exploration and production market to preserve equipment and structures with the asset in operation. The activity, which was implemented late in 2018, uses an innovative method that comes from the petrochemical sector and already brings together good numbers. During this period, it accumulates more than 2,200 preserved equipment and, in addition, contributed to reduce operating maintenance costs by up to 10% and improve the uptime of the vessels in which it performed the service.

Ocyan Waves

In March 2019, the innovation platform Ocyan Waves launched its first program, the Ocyan Waves Challenge, in which it internally selected eight challenges from support and operational areas and counted with the ecosystem of Brazilian startups to search for solutions. In total, 123 startups from all over Brazil signed up for the process and eight were selected to carry out pilot projects and, finally, six were selected for further development. In 2020, approved companies will implement the solutions and become Ocyan suppliers.

Among the projects completed in 2019, there is the São Paulo startup: Confirm8, which optimizes and simplifies the inspection of electrical equipment operating in a potentially explosive atmosphere. The initiative aims to reduce the time spent on these processes by 20%.

The objective of the Ocyan Waves platform is to seek innovation initiatives to improve the company's operations, bringing higher efficiency and security to its employees and customers, exploring new businesses and bringing new technologies to Ocyan.

SMART

The Advanced Real-Time Monitoring System (SMART) was developed to monitor the operations and rig's equipment from the company's base. The tool provides for an intensive use of artificial intelligence, based on integrated data and images generated by cameras. In one year of activity, it contributed to 2,5% improvement in the uptime, going from 92,8% to 95,1%, and to reduce around 55% the rate of recordable incidents, mainly the Lost Time Incidents (LTIs).

SMART is the first integrated system for monitoring drilling rig activities in Brazil, allowing to group data that were previously separated by detached supervisory systems. Using this system, it is possible to integrate and make available data related to drilling, well control, power management, dynamic positioning, subsea, in addition to the internal TV cameras circuits of the rig, among others.

Pyplok

Ocyan's area of Maintenance and Services Offshore, signed an agreement with the Canadian company Tube-Mac to offer new technology to the players of oil and gas and petrochemical market in Brazil. This knowledge enables the installation and assembly of pipes weldless, using cold connections, called Pyplok®. The initiative is part of the company's strategy to bring technological solutions to the country that can be applied in the sector and which are already used abroad, through partnerships with foreign companies that are not operating locally yet. Tube-Mac is the first of them.

The material used allows interventions and assemblies without welding to be carried out in pipes of various thicknesses with pressures up to 10,000 psi and temperatures up to 205°C. The installation process requires less time, bringing more efficiency and operational safety during interventions. Just to have an idea, the installing of ten pieces of Pyplok can be done in just two hours, while the same work using weld can take up to two days.

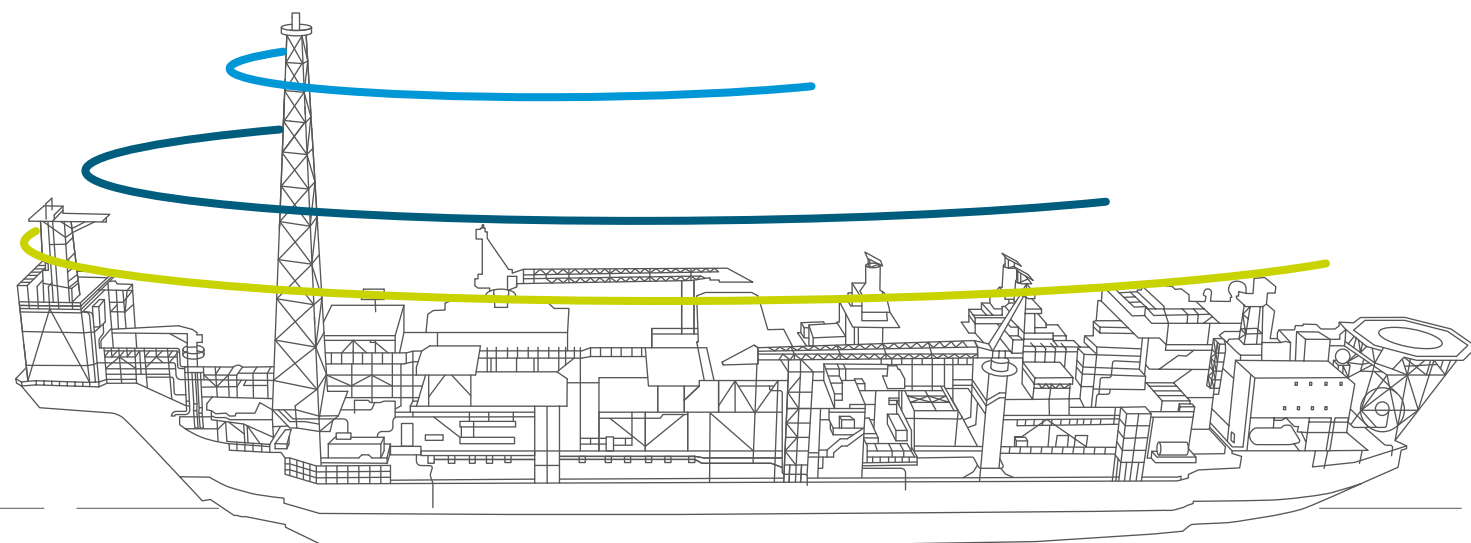
DigiMob

Developed by members of the Logistics area, DigiMob is an application for carrying out the main logistics activities of the base. The project, a pioneer in the oil and gas sector, aims to optimize activities at the Yard – the logistics base of the company's Drilling Unit area –, bringing gains in safety, efficiency and reliability to the process.

DigiMob brings more agility in the processes of receiving materials, identification through labels with QR Code and agility to dispatch loads to the rigs, all in a simple way with the use of tablets.

The project was designed in three phases, the first two are already completed and in use. The third phase will be completed in 2020. In the first month of using the tool, the time to receive the materials reduced in 33% for national items and 50% for imported items, a reduction mostly based in the use of DigiMob to register the physical conference of materials in the system.

In addition to increase agility to register the items, which now occurs in an automated way, the application also makes it possible to consult the balances of purchase orders in real time, reducing the risks of failures to feed the system and contributing to the processes compliance.



RECOGNITION

In recognition of the good work it has been doing in the search for innovative technologies, Ocyan received the Reference in Open Innovation Award from the Reference Center of Innovation for Sustainable Operations (CRIOS-UFRJ). This was the 3rd edition of an Entrepreneurship Challenge, promoted by the Startup Macaé in partnership with the Brazilian Association of Startups (Abstartups).



Communication

In 2019, Ocyan achieved the best positive media exposure in its history, with an A rating for visibility in the year, and reached the AA position in four of the 12 months. An unusual thing for a company in the corporate segment (B2B).

The company is seen in all social media: LinkedIn, with more than 77 thousand followers; Facebook, with more than 42 thousand; and Instagram, with more than 7 thousand subscribers. The Communication area is responsible, among other attributions, for managing the image and the reputation of the company. In 2019, in order to strengthen communication between the members of different areas, it was created the *Ocyan Notícias*, a monthly digital newsletter with various information on business, news, as well as sector information.

Communication with employees

To receive the new team members, the Communication and People Teams prepared a digital guidance about the company. The objective was to gather, in a single document, information about the company's history, its business, its beliefs, its values and the benefits, in addition to other relevant topics. During the year, the area also completed the design of a new channel with the offshore public: the Interactive Totem. The idea consists of an interface with exclusive content, published in real time, as well as access to photo galleries and company policies, in a quick and easy way.

Engagement survey

The 2019 engagement survey was attended by 50,58% of the members. Ocyan reached a confidence index of 72 points out of 100, with that, received the certificate *Great Place to Work*.










The campaign, which had the help of videos to promote it, had an illustration of a boat, symbolizing the protagonism of the members. The idea was to show that everyone, even acting in different environments, is in charge of the same ship and sailing together in the same direction by searching the same goals.

more than
77 thousand
followers on **LinkedIn**

more than
42 thousand
followers on **Facebook**

more than
7 thousand
followers on **Instagram**

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) <i>Ocyan Notícias</i> TV Ocyan Interactive Totem Internal Communications <i>Ocyan Comunica</i> (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-financial performance

Operational results

Drilling

Its fleet consists of four drilling vessels: Norbe VIII, Norbe IX, ODN I, ODN II; and one semi-submersible platforms: Norbe VI. One of the highlights of the operation is the use of MPD (Managed Pressure Drilling), a tool present in some units of the company, which brings even more security to offshore activities, increasing operational reliability and reducing costs and environmental risks.

In October 2019, the Drilling Business Unit achieved the Certification of Owned Equipment Inspection Service (SPIE, in Portuguese). The SPIE audit was carried out by the Brazilian Institute of Petroleum, Gas and Biofuels (IBP) and represents an important advance for Ocyan, in line with its philosophy of integrity and reliability of assets.

In addition, their ISO 55000 certification reinforces its leading position in certifications in the exploration and production (E&P) sector. Today, Ocyan is the only drilling company that holds this title. This result reflects the commitment of the teams and the constant search for continuous improvement.

The average economic uptime of all rigs (operational availability versus the daily rate) of the year, excluding the effects of scheduled shutdowns, was **99,8%**. The result, considered the best operating performance in the company's history, was above the agreed (96,5%).

Offshore services and maintenance

With operations in the Maintenance and Services market Offshore, Ocyan offers specialized solutions on demand, with assurance of safety, technical capacity, partnership, and financial sustainability.

The Unit has a diverse portfolio of activities, including integrated service planning; the planning and execution of production and drilling stops; solutions in repairs, maintenance, project assembly (welding, boiler, piping and electrical / instrumentation); industrial and high performance painting; access engineering and special rope access services; as well as solutions for manufacturing customized structures and pipes, special inspection, commissioning and preservation services.

Another remarkable act in 2019, was the partnership with the Canadian company Tube-Mac to offer new technology to the players of oil and gas and petrochemical market in Brazil. The Pyplock enables the installation and assembly of pipes weldless, using cold connections. The technology has a low installation cost and requires less man-hours, bringing more productivity and

safety to the process, (More information about Pyplock is available in the Innovation chapter).

Ocyan is the first supplier focused on innovative solutions in the exploration and production market to preserve equipment and structures with the asset in operation. During this period, it accumulated more than 2,200 preserved equipment and, in addition, contributed to reduce operating maintenance costs by up to 10% and also improved the uptime of the vessels in which it performed the service.

Offshore production

Members and leaders from the Offshore Production area attended the FPSO Brazil Congress 2019, which took place in May in the city of Rio de Janeiro, and whose theme was Overcoming Regulatory, Operational, Financing and Local Content Challenges. The operation of FPSO oil production platforms (Floating Production Storage Offloading System) is one of the growth trends established by Ocyan for the coming years. The company operates in the business with two vessels: the FPSO *Cidade de Itajaí* and the FPSO *Pioneiro de Libra*.

Operated by the joint venture TK-Ocyan (partnership between Ocyan and Teekay Offshore), the FPSO *Cidade de Itajaí* and the FPSO *Pioneiro de Libra* produced in 2019 around 6,987 and 13,096 million barrels of oil, respectively. With six years operation, in April the FPSO *Cidade de Itajaí* reached the mark of 100 million barrels of oil produced at *Baúna* field, in the Santos Basin.

In 2019, the average economic uptime of the FPSO *Cidade de Itajaí* was **99,5%**, compared to the agreed number of 98,3%; and the FPSO *Pioneiro de Libra* was **97%**, compared to the agreed number of 96,3%.

Subsea construction

Last December, Ocyan completed the transfer of 50% of the PLSVs (Pipe Laying Support Vessel) *TOP Estrela do Mar* and *TOP Coral do Atlântico* to TechnipFMC, ending a successful cycle, as a result of the nine-year partnership between the two companies.

Since 2014, flexible pipe laying support vessels have been used in contracts with Petrobras, achieving a prominent result among other vessels of this type. These vessels were the only units in Petrobras' subsea interconnection fleet to successfully install production lines with a silicone layer.

In 2019, the average economic uptime of the PLSV *TOP Coral do Atlântico* was **98,7%**, compared to the agreed number of 97%; and the *TOP Estrela do Mar* was **97,2%**, compared to the agreed number of 97,3%.

Financial results

Revenues and results

Ocyan ended 2019 with a gross revenue 8,9% lower than the recorded in 2018, totaling 2,67 billion BRL (2,93 billion BRL in 2018). The cash generation as per EBITDA in the year was 1,66 billion BRL, compared to 1,75 billion BRL in the previous year. The EBITDA margin for the year was 63,7%, compared to 61,4% in 2018.

The total value added, which represents the formation of the wealth generated in a given period and its respective distribution, had an increase of 9% during the year, a total of 1,95 billion BRL, compared to 1,79 billion BRL in 2018.

Ocyan's financial statements for the year ended December 31st, 2019 (under the corporate name of Ocyan Participações S.A.) were audited and the independent auditor's report, without qualification, was issued on February 28th, 2020.

ADDED VALUE (BRL – MILLION) |GRI 201-1|

STATEMENT OF ADDED VALUE – Consolidated (BRL – million)

	2015	2016	2017	2018	2019
Revenues ¹	4,295	3,448	3,093	3,053	2,815
Other operational revenue (expenses), net ²	313	102	34	-7	-2,050
Inputs acquired from third parties	-1,620	-1,032	-963	-747	-718
Depreciation, amortization, and impairment ³	-1,821	-2,503	-2,260	-1,145	18
Revenue from equity interests and financial income	566	782	6,173	638	1,889
Total added value to distribute	1,733	797	6,077	1,792	1,954

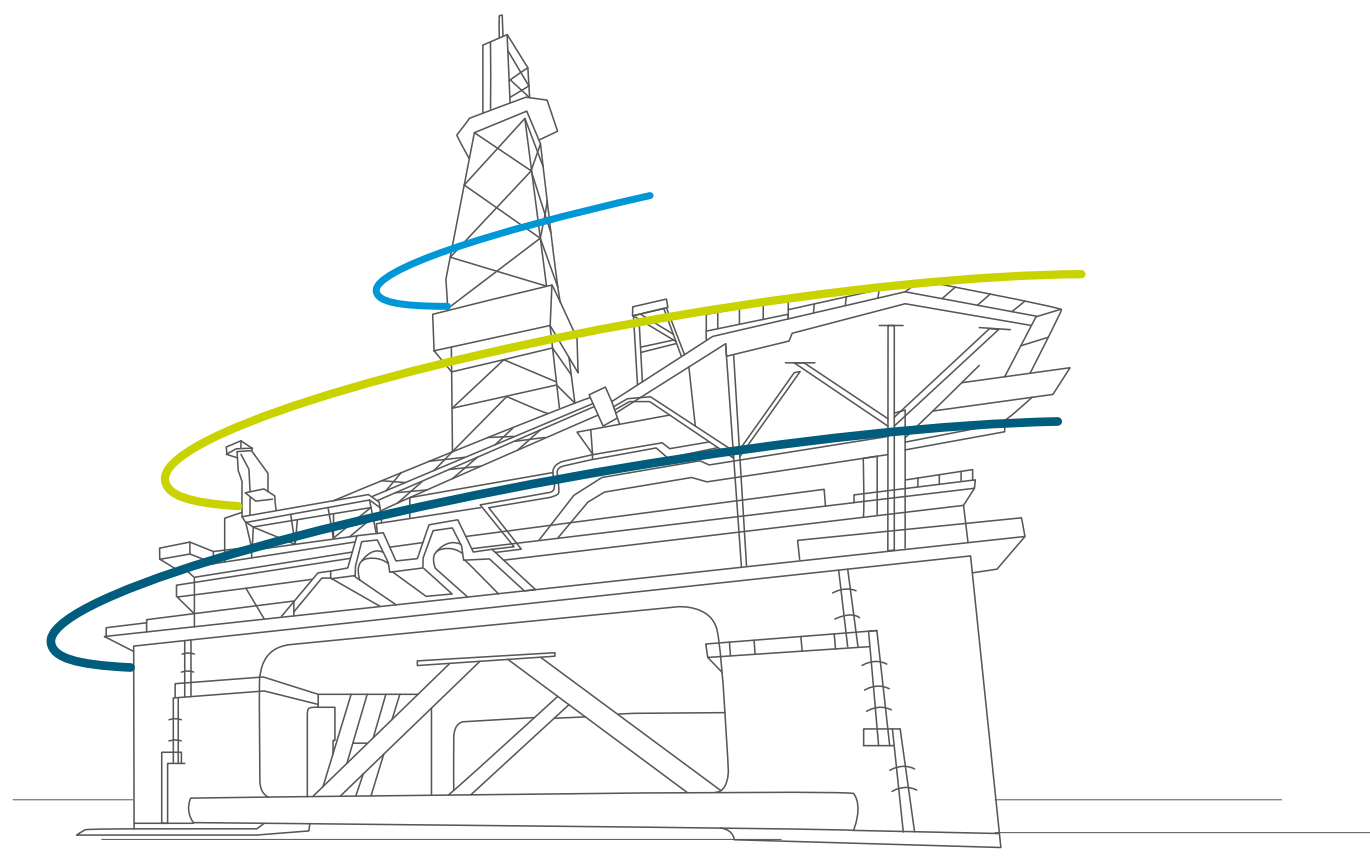
DISTRIBUTION OF ADDED VALUE

	2015	2016	2017	2018	2019
Personnel	930	802	738	627	544
Tax, rates and contributions	236	124	-21	156	136
Providers of shareholders' equity and third-party	568	-129	5,360	1,009	1,274
Added value distributed/integrated	1,733	797	6,077	1,792	1,954

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

² In 2019, it considers net expenses of 2,018 million BRL in divestments of drilling and subsea assets.

³ Includes impairment of assets of 1,005 million BRL in 2015, 1,742 million BRL in 2016, 1,547 million BRL in 2017, 448 million BRL in 2018 and in 2019 includes an impairment reversal of 743 million BRL.



Sale and transfer of assets

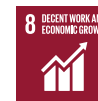
|GRI 102-10|

ODN Delba III

In October 2019, Ocyan's subsidiary, Delba Drilling International Coöperatie U.A, completed the sale of the ODN Delba III unit. The semi-submersible drilling platform was being negotiated in alignment with creditors since the end of the contract with Petrobras, in August of that same year. This process achieves one of the goals of the Business Leader, contributing to the preservation of the company's corporate financial macro-equation.

PLSVs

In December 2019, the company completed the divestment process of the PLSVs *TOP Estrela do Mar* and *TOP Coral do Atlântico*, that were transferred to TechnipFMC. This operation resulted in the company be free from the obligations related to the guarantees originally assumed by the project finance, allowing Ocyan to focus on new projects aligned with the sector's strategy and timing.





Social commitments

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

The care with people has always been part of Ocyan's essence. Its People Policy was structured to develop skills, attract talent, promote meritocracy and ensure a safe and healthy work environment. The document also clearly shows the company's commitment to act with ethics, integrity, transparency and respect for diversity and well-being of its employees.

Ocyan believes that each member should be an agent of their own destiny, talking to their leader about new challenges and their life and career purpose. The construction of a career in the company is a consequence of each person's commitment to their self-development and the

consolidation of successive complete cycles of the Action Program. The company's main management tool, the PA (Action Program) formalizes the agreement between leader and team member and defines the challenges and goals to be achieved, establishing clear responsibilities for each member.

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 employees or service providers. During 2019, the Planning and People Department sought, through its various channels, physical and digital, to

intensify the communication between leaders and team members. One of the actions was to raise the perception of all members, both onshore and offshore, that their individual goals of the Action Program are directly or indirectly related to the challenges and goals of the Leader and, with this, generate more engagement and commitment between the employees and the teams.

Freedom for Union association

|GRI 407-1, 102-41|

Ocyan respects and preserves freedom of association and collective bargaining. These rights are guaranteed 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 2019, there were no cases of violation of the right to exercise freedom of association and collective bargaining. In the year, 93,9% of the number of employees with a work contract administered in Brazil were covered by collective bargaining agreements. This number does not include the employees of the joint venture TK-Ocyan (224).

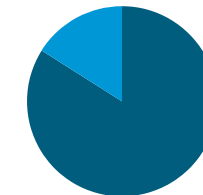
Employees

|GRI 102-8|

On December 31, 2019, Ocyan had 2,068 employees in its staff (151 under medical leave), all with permanent employment agreements, and 51 interns. Among them – not including those on leave – 1,361 professionals (65,8%) worked offshore and 707 (34,2%) onshore. During the year, there was a reduction of 9,9% in the staff if compared to 2018, mainly due to the demobilization of PLSVs contracts and the ODN Delba III platform, in addition to the reduction of Maintenance and Offshore Services personnel.



EMPLOYEES PER GENDER |GRI 102-8|

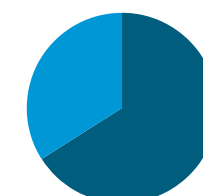


84%
1,737
Men

16%
331
Women



EMPLOYEES PER WORK REGIME |GRI 102-8|



65.8%
1,361
Offshore

34.2%
707
Onshore



EMPLOYEES PER GENDER AND REGION |GRI 102-8|

		2018			2019		
	Region	Men	Women	Total	Men	Women	Total
Brazil	Southeast	1,818	331	2,149	1,729	315	2,044
	South	74	20	94	8	11	19
	Northeast	45	2	47	0	0	0
Abroad	Austria	0	4	4	0	5	5
	Netherlands	1	0	1	0	0	0
Total		1,938	357	2,295¹	1,737	331	2,068¹

¹ From the total number, 181 employees were on leave in 2018 and 151 in 2019. Three strategic partners are counted in the total. This number includes 224 employees of the joint venture TK-Ocyan.

EMPLOYEES PER AREA OF ACTIVITY |GRI 102-8|

		2018			2019		
		Men	Women	Total	Men	Women	Total
Dynamic Operation (Corporate) + Austria		79	89	168	78	89	167
Offshore Drilling		1,152	142	1,294	1,025	126	1,151
Consolidated Integrated Services ¹		707	126	833	634	116	750
Total		1,938	357	2,295	1,737	331	2,068

¹Offshore Services and Maintenance, Offshore Production, and Subsea Construction

EMPLOYEES PER TYPE OF AGREEMENT |GRI 102-8|

		2018			2019		
		Men	Women	Total	Men	Women	Total
Employee with permanent labor agreement		1,909	330	2,239	1,706	304	2,010
Minor-Apprentices		29	27	56	31	27	58
Interns ¹		30	29	59	27	24	51
Total		1,968	386	2,354	1,764	355	2,119

¹ The interns are not included in the number of employees, This number includes 224 employees of the joint venture TK-Ocyan.

Internship Program

The Internship Program of Ocyan aims to attract students with a diverse and empathic eye, with growth potential and who contribute and add to their culture. The program is the main way for young people start a career in the company and lasts two years, offering the opportunity to get to know Ocyan's culture and its different businesses, the main tools used for career assessment and, also, to develop a project of improvement and innovation, which makes possible to prepare them to become future employees and take even bigger professional challenges.

In the last year, a group of 51 interns had the opportunity, for the first time, to be on board the semi-submersible probe ODN Delba III. The purpose of the visit was to contribute to the professional training process by experiencing in loco an offshore asset. The interns, who are university students, were able to get to know many areas of the vessel, such as the bridge (the navigation control area of the rig), the accommodation area, among others, and understand the global operation of all the unit's processes.

Ocyan opens internship positions at least once a year, with opportunities for Rio de Janeiro and Macaé, in several areas.

Diversity & inclusion

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

Ocyan is committed to promoting a diverse, inclusive and non-discriminatory environment. The company was one of the first in the oil (oil and gas) production chain in Brazil to include diversity on its agenda. Since 2016, the theme has been part of the company's strategy, as one of the biggest challenges to be achieved in the short term.

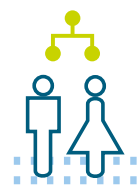
In 2019, the company launched the Diversity & Inclusion Program, under the leadership of the Strategic Planning area, which has a committee of executives responsible for the strategy and approval of the action plans proposed by groups related. Each group has a dedicated leadership, formed by volunteer managers from different areas of the company. The pillars of action during the year were gender equity and people with disabilities, including ethnic-racial and LGBTI+ themes in the discussions.

The Diversity & Inclusion Program represents an important step for Ocyan to strengthen its employer brand, increase its internal engagement numbers, improve its perception of image with strategic audiences and advance in terms of innovation, especially considering the challenges inherent to the sector, whose performance is predominantly male and offshore – the professionals on board are something around 66% of the total staff.

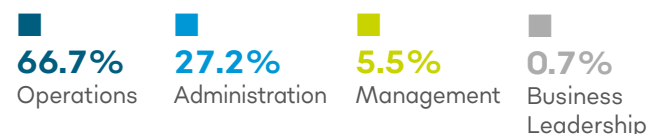
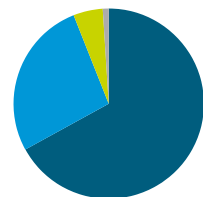


Women leadership

Ocyan promoted a Brazilian woman to oversee one of its drilling rigs. In October, Carla Malafaia took over Norbe IX and became the first Brazilian woman to be in charge of its company vessel. The rig has eight other women, which demonstrates the reality of the oil and gas market, even though it represents only 5% of the entire team. "Being a woman in this career will always be a challenge, especially in Brazil, where there is no long tradition of women in the leadership of vessels. That was always my goal, one day to reach this level", says her.



EMPLOYEES PER GENDER
[GRI 405-1]



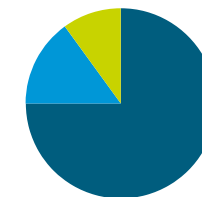
The inclusion of disabilities people is one of Ocyan's focus. Recently, it was mapped functions of offshore members that can be performed by people with disabilities, within their limitations and without risks to life and operations. The Base facilities in Macaé are already undergoing works and adaptations, so that everyone feels included and has accessibility, according to the rules of the Brazilian Association of Technical Standards (ABNT). By culture, all employment opportunities at Ocyan allow applications from disabilities' people.

To promote the empathy of all members with the reality of people with disabilities, Ocyan promoted an innovative event using games. The company's employees based in Macaé (RJ) and Rio de Janeiro were able to experience and be in situations in an escape room game, in which the participants were challenged to complete puzzles as a team. Over two days, more than 120 employees participated in the game, with the aim of understand codes, for example, by means of passwords in sign language that would be used to open locks; hearing memory game; and used a sensory box with limited vision and touch stimulation.

It was prepared in Macaé, a truck with a glass bucket to receive the members who signed up to live this experience. In each round, groups of five to seven members participated in the game, being challenged to emerge in the world of people with disabilities and encouraged to improve their senses to find the codes. In Rio de Janeiro, a room adapted for the same purpose received seven to ten members in each round. At the end of 2019, the company had 19 People with Disabilities (PWDs), representing about 1% of the staff.



EMPLOYEES PER AGE GROUP
[GRI 405-1]



DIVERSITY INDICATORS [GRI 405-1]

Per functional category	2018				2019			
	Men		Women		Men		Women	
	N°	%	N°	%	N°	%	N°	%
Board of Directors	7	100.0%	0	0.0%	7	100.0%	0	0.0%
Employees ¹	1,938	84.4%	357	15.6%	1,737	84.0%	331	16.0%
Business Leadership ²	12	100.0%	0	0.0%	13	92.9%	1	7.1%
Management	101	76.5%	31	23.5%	90	79.6%	23	20.4%
Administration	374	58.5%	265	41.5%	303	53.9%	259	46.1%
Operations	1,451	96.0%	61	4.0%	1,331	96.5%	48	3.5%
Per age group	N°		%		N°		%	
Board of Directors								
Up to 30 years		0		0.0%		0		0.0%
31 to 50 years		2		29.0%		3		42.9%
Over 51 years		5		71.0%		4		57.1%
Employees ¹								
Up to 30 years		471		20.5%		299		14.4%
31 to 50 years		1,626		70.8%		1,557		75.3%
Over 51 years		198		8.6%		212		10.3%
Other diversity items	N°		%		N°		%	
People with disability		20		1.0%		19		0.9%
Expats		110		5.0%		65		3.1%

¹ Total number of employees (currently working + on leave + joint venture TK-Ocyan)

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



Training and development

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

The Education through Work, which transfer the knowledge through daily activities, accelerates the development of the employees by strengthening the corporate culture and continuously overcoming challenges. It is a process of reciprocal learning, which requires a continuous dialogue between the leader and the led.

The company carry out several development actions to qualify their employees to take challenges. In each business, there are specific teams responsible for training management, which may be mandatory or non-mandatory, and always occur in alignment with 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. In 2019, the development programs, both internally and externally, reached a total of 103,531 hours, an average of 61 hours per employee.

Career cycle [GRI 404-2]

In order to develop and promote professional growth opportunities for its members, Ocyan carries out a work of mapping skills to identify potential successors to positions deemed as strategic. The plan aims to consolidate the succession process, through the training of potential substitutes, with the support of the People Committee created in the year. In addition, Ocyan has a continuous focus on strengthening the Internship Program to train and prepare young people for the company's future growth cycle.

To widely work on this theme, Ocyan has adopted the concept of employee experience, which wants to create a meaningful work experience for everyone, through inspiring leadership, a culture with clear goals, an organizational environment structure to promote the employees development, in addition to other factors that can help to make this experience a differential in the company.

Initially focused in the positions of Business Leader and directors, the Leadership Program was expanded in 2019 to the employees linked to the leaders. During the year, around 90 people participated in the Leaders' Seminar, which had a dynamic activity in partnership with *Fundação Dom Cabral*. The leadership also had the opportunity to attend, during the Annual Meeting, a lecture on the theme 'Leader of the Future'.

Another action developed during the year was the Executive Assessment, carried out through an external consulting company, with around 47 employees, including contract directors and managers. The work aimed to identify and develop the human potential of the employees, by measuring the criteria related to Ocyan's competences, culture and strategy, as well as supporting the company's succession pipeline. The next step will be the realization of the Collective Development Plan and the Individual Development Plan for this group.

In 2019, the Financial and Maintenance and Offshore Services areas were on the radar of this work, which will serve as a pilot for future implementation in other areas. For 2020, it is planned to structure a 'leadership development path' for managers and coordinators. The idea is to impart five annual training modules that will address specific management themes, such as budget, business, behavioral aspects, follow up of goals, feedback, among others considered fundamental for the continuous businesses' growth.

TOTAL TRAINING HOURS [GRI 404-1]

Functional category	N° of employees in the position ¹		N° of participants in the training sessions ²		Total n° of training hours		Average hours per employee	
	2018	2019	2018	2019	2018	2019	2018	2019
Total number	2,110	1,696	2,699	1,903	146,546	103,531	69	61
Business Leadership	13	13	6	12	203	395	16	30
Men	13	12	6	11	203	383	16	32
Women	0	1	0	1	0	12	0	12
Management ³	128	110	109	110	5,969	5,079	47	46
Men	97	87	97	86	5,599	4,186	58	48
Women	31	23	12	24	370	893	12	39
Administration	565	482	413	401	34,806	15,837	62	33
Men	311	255	257	214	25,634	8,466	82	33
Women	254	227	156	187	9,172	7,371	36	32
Operations	1,404	1,091	2,171	1,380	105,568	82,220	75	75
Men	1,344	1,065	2,091	1,339	103,151	80,189	77	75
Women	60	26	80	41	2,417	2,031	40	78

¹ It does not include employees on leave in the year (181 in 2018 and 151 in 2019), the interns (59 in 2018 and 51 in 2019), the TK employees (224), the entities considered in the macro-structure (3) and an active employee who was reintegrated after the end of the leave (1).

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

³ The Management Group includes information from the Management and Business groups, considered strategic.



Well-being and health |GRI 403-6|

Ocyan offers several benefits and initiatives to contribute to the health and well-being of its employees. These include:

- 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. In 2019, it was added the option to the pregnant woman to extend her leave for an additional fifteen days – which is already practiced in the company – or for a reduced journey of three hours (totaling four) until the baby is six months old.
- **Paternity Leave:** In 2019 the company also granted the Paternity Leave extension from five days, as provided by law, to fifteen calendar days, counting from the birth of the baby. This benefit seeks to straighten the bonds between parents and children in the first days of birth;
- **GymPass:** Platform that gives access to around 20 thousand registered gyms all over Brazil, in more than 1,2 thousand cities. In addition to the discount granted, the member who chooses to join the Gympass will be able to work out in different establishments and modalities per day, close to their home or wherever they want, according to the group signed in;
- **Health Space:** Environment for the practice of Shiatsu and Pilates in company for the employees of the corporate headquarters;
- **Week of the employee:** Lectures and interactive activities related to career and quality of life, held during a week of November, imparted by employees and external partners;
- **Day off:** Event for birthday people who work in the administrative bases;
- **Move Yourself Program:** Race group, with specialized support, in partnership with Firjan, for members of Drilling Units.

Health and safety

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

For Ocyan, health and safety comes first. We take all the necessary action to preserve the life of our members and of the whole environment. The Sustainability Policy brings the guidelines that govern this subject to reach each of the goals agreed in the Action Program.

Goal number one is to achieve zero lost time incidents (LTI). In this sense, Ocyan works to strengthen the concepts of prevention, improve and consolidate the standards and processes related to the pillars of health, safety at work, the environment and social responsibility, both for its own workers and its service providers.

Management system

|GRI 403-1, 403-7, 403-8|

In order to provide a safe and incident-free work environment, Ocyan maintains a robust occupational health and safety management system. This tool centralizes actions to raise awareness, reinforce the safety culture by observing risks and behaviors and improving equipment and facilities.

The business units have the autonomy to implement their management system independently, but following the positioning, strategy, and policies of the company. The system covers 100% onshore and offshore members, as also the subcontractors.

In addition to attend the company's needs, the management system also seeks the customer satisfaction, in accordance with applicable legal requirements and the following rules: OHSAS 18001: 2017 and ISO 14001: 2015 (Offshore Drilling, Production Onshore, Subsea Construction and Maintenance and Offshore Services); ISO 9001: 2018 (Offshore Drilling, Subsea Construction and Offshore Maintenance and Services); ISM Code (Offshore Drilling and Production Onshore) and ISPS Code (Subsea Construction).

All indicators are periodically monitored and the workers receive a feedback from their leaders about their actions. Any and every incidents is

reported and investigated, and, for each one, is prepared an action plan to correct the problem and avoid its happen again in that unit and in other units. Occupational hazards and risks 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.

Likewise, internal audits are carried out to assess the level of compliance and management effectiveness. In addition, always company continuously looks for the industry's benchmark at institutions such as International Marine Contractors Association (IMCA), International Association of Oil & Gas Producers (IOGP) and International Association of Drilling Contractors (IADC) as reference to compare its performance excellence. |GRI 403-2|

The health services are provided by qualified professionals and assure to the employees' access to their information during medical attendance and follow-up. The confidentiality and privacy of the data collected are guaranteed, including in computerized health systems and medical records. |GRI 403-3|

Each unit has an Internal Committee for Incident Prevention (CIPA) which plays a key role in adopting occupational health and safety programs and measures, including behavioral audits, installation inspections, training and leadership development. The Commissions are made up of representatives of the workers and the employer, who make decisions together. |GRI 403-4|

Training |GRI 403-5|

During the year, it is carried out several 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.

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.

New employees receive information about the occupational health and safety management system. The trainings are held online, theoretical on-site or practical, and can be taught by third-parties or internally by persons qualified and/or trained to do so.

As a result of this intense work of teaching company's culture and the improvements implemented in the management system, in 2019 the company recorded the lowest rate of recordable incidents (TFIR), with and without leave, in its history: 0.58, compared to 1.59 in the previous year, a decrease of 64%.

HEALTH AND SAFETY |GRI 403-9|

	Employees		Third-parties		Total workforce		Per age group		
	Men	Women	Men	Women	Men	Women	Up to 30	30 to 50	Over 50
Nº of decease	0	0	0	0	0	0	0	0	0
Number of high consequence injuries (lost-time incidents) ¹	0	0	1	0	1	0	1	0	0
Rate of high consequence injuries ^{1,5}	0	0	0.48		0.14		-	-	-
Number of occupational injuries (total of accidents) ²	1	0	3	0	4	0	2	2	0
Rate of injuries ^{2,3}	0.24	0	1.44		0.58		-	-	-

¹ Excluding decease.

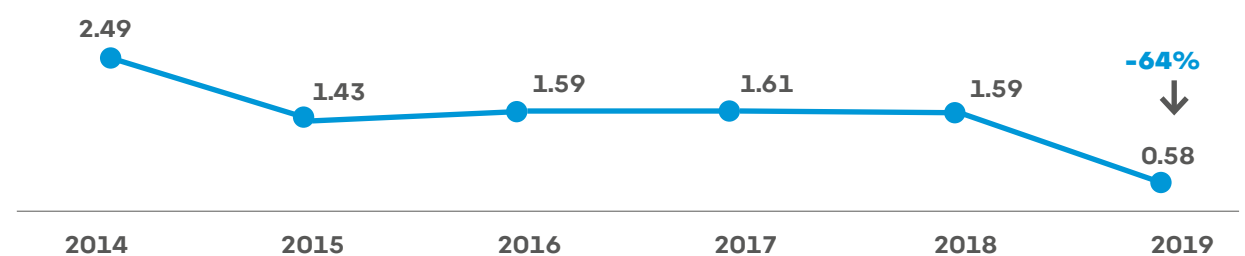
² Types of injuries: fall, crushing, mechanical shock, cut, and improper posture. |GRI 403-10|

Ocyan has no control on HH gender over third party.

Note: Ocyan's operations occur exclusively in the Southeast Region of Brazil.

RECORDABLE INCIDENT FREQUENCY RATE (TFIR)

With and without lost time



External audience

As Ocyan is always focused on building lasting relationships, its operations is carried out in an ethical and transparent manner, aiming to create value, not only for its shareholder and its employees, but also for the society in general, including communities, suppliers, customers, governments and other contact groups in the regions where it operates.

Clients

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

Ocyan seeks to maintain a close relationship with its customers, which contributes both to the identification of the most appropriate solutions to their needs and ensuring loyalty by delivery an excellent service.

Its extensive experience in the oil and gas sector contribute to identify, with greater assertiveness, the real needs and demands of the oil industry. In addition, its leading position in this market and investments in new technologies favor the offer of increasingly innovative and efficient solutions, adding value to the business and contributing to the country's sustainable development.

Despite the prominent position achieved over its history, Ocyan respects and cares for free market competition. 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 2019, no lawsuit was filed against Ocyan for unfair competition, trust practice, or monopoly. |GRI 206-1|

Achievements

Last July, Ocyan signed a two-year contract with Petrobras, its main client, for an offshore drilling project with the rig Norbe VI. The asset has a history of success in the company. In the operation for the same clients, between 2011 and 2018, it reached the mark of two years without accidents. The contract was completed with 98% operational uptime and the unit got the second place in the ranking of Petrobras' performance, the Sondópolis.

The achievement of this new contract, the first one after Ocyan was unblocked from Petrobras' list of registrations, reinforces the confidence in the excellence of our services.

Assessments

Ocyan assesses the level of satisfaction of its main client, Petrobras, through the Performance Evaluation Report (BAD). The document, which follows the scope of each contract, assesses the following data: Equipment and Materials; Human Resources; and Facilities and Effectiveness.

PERFORMANCE EVALUATION REPORT (average BAD)

Business Unit	2018	2019
Drilling	9.0	9.3
PFSO Pioneiro de Libra	10.0	NI ¹
FPSO Cidade de Itajaí	9.3	9.1
PLSV TOP Coral do Atlântico	9.9	9.9
PLSV TOP Estrela do Mar	10.0	9.5
Offshore Services and Maintenance	9.0	8.9

¹ Not informed in the period.

Suppliers

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

In 2019, Ocyan paid 671 million BRL to a total of 748 service and material suppliers. Ocyan's chain of suppliers is comprised of distributors, authorized representatives, equipment manufacturers, traders, service providers, maintenance companies, consultants, and auditors located in Brazil and abroad. Of this amount, 81% corresponded to local procurement (companies with operations in Brazilian territory).

[GRI 102-9, 204-1]

Supplier management system

In recent years, the company has invested in a modern and complete Supplier Management System, where all the process of selecting, evaluating and approving partners is carried out. The tool enables the management, in a preventive manner, risks to its reputation, as well as damage to property and losses for the shareholder. The system qualifies the supplier base with respect to legal, tax, financial

and technical issues, as well as supporting the areas of Supply, Health, Safety, Environment, and Technical in the assertive choice of its partners.

Another important thing is the requirement of specific documents on environmental issues, without which the supplier cannot register in the Ocyan's database. In the case of specific waste management providers, it is performed on-site audits and the results are reported for the technical and commercial areas, which may result in action plans or discontinuation of the supplier.

In case of noncompliance of 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 can go from request for procedures improvement, fines, or even result in a contract termination.

The whole approval process is carried out online. After being approved, the company becomes part of Ocyan's vendor list and may be invited to participate in competitions according to its supply categories.

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.

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 is 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 in 2019, [GRI 408-1, 409-1]

Qualification

Every worker who is going to do a service embarked on one of the drilling rigs operated by Ocyan shall necessarily undergo a system of control of specific trainings for the execution of services on board, called Drake.

To have more information about Suppliers and Homologation System, please access the company's institutional website at the following link on Suppliers tab: www.ocyan-sa.com/pt-br/forneceadores.

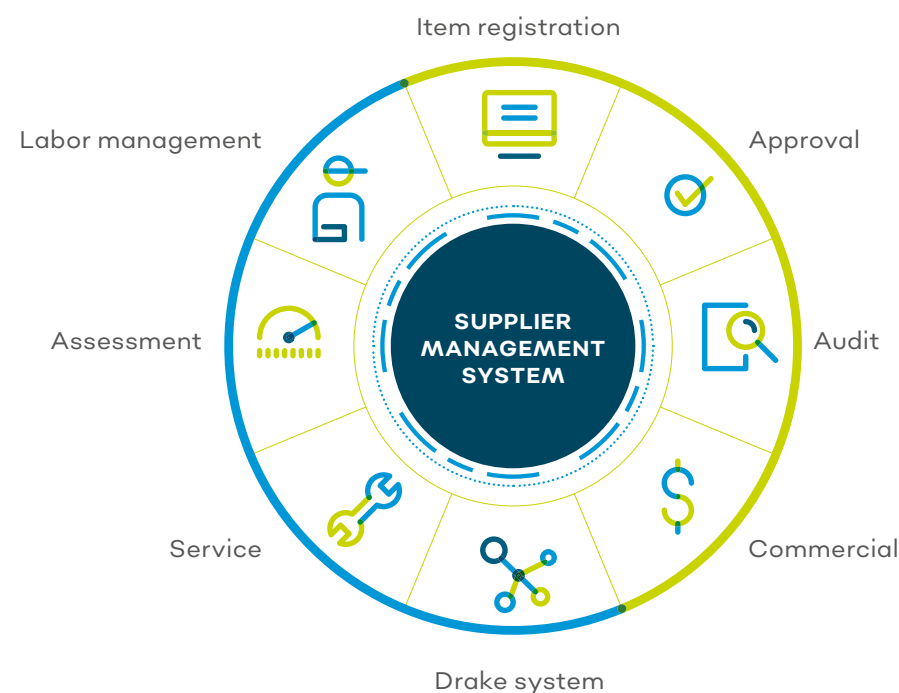
Society

[GRI 103-1, 103-2, 103-3, 203-1, 413-1]

Ocyan's integration with society takes place through projects promoted by the *Escola em Ação* Program, the participation of children and adolescents from the communities in projects that promote education, social inclusion, youth entrepreneurship and sport, in addition to the synergy of these actions with internal Apprentices and Internship programs. The initiatives are directed to the communities of Rio de Janeiro and Macaé, Ocyan does not make direct investments in the infrastructure of communities.

Whenever possible, the company also seeks to prioritize the hiring of local personnel and local suppliers, as a way to encourage the national income generation and development. All social responsibility actions developed by Ocyan are defined with the representatives of communities, NGOs and local agents, taking into consideration the local demand.

The company also keeps an open communication channel, this way the local communities can clarify doubts, send requests for support, suggestions for improvement, feedback or complaints. Contact can be made through Ocyan's institutional website, at the link Contact Us: www.ocyan-sa.com/pt-br/contato/mensagem



Escola em Ação

Since its beginning in 2007, the Social Responsibility Program of Ocyan, *Escola em Ação*, have already benefited more than 26 thousand children and adolescents in the municipalities of Macaé and Rio de Janeiro.

Escola em Ação follows the company's Sustainability Policy and Social Responsibility guidelines. It was created to promote the sustainable development in the communities where the company operates, in addition to prioritizing initiatives that promotes social inclusion, education, culture and sports, and also environmental awareness for young people, integrating the school, the community and the company.

Over 12 years, *Escola em Ação* has supported projects such as: *Abrindo Espaços*, *Brincar em Ação*, *Mediação de Leitura*, *Caia na Rede*, *Mulheres Reciclando* (Promur), Environmental Education Project, Teacher Training: Interlacing Languages, Learning Center Technological and Professional Education (Cetep), Municipal Dance School, Library Bus, Youth in Action – professional qualification, Sports in Action, #Inovareaprender, in addition to partnerships with NGOs.

Currently, Ocyan focuses the actions of *Escola em Ação* in two programs: corporate volunteering in public schools, in partnership with the NGO Junior Achievement RJ; and jiu-jitsu in Macaé with the *Instituto Acesso*.

In total, 1.975 people were directly benefited in 2019, including children and young people in different communities and schools in Rio de Janeiro and Macaé. The program was also supported by 82 volunteer members. The total financial contribution for year activities was 240 thousands BRL. [GRI 203-1]



Volunteering

In the second year of the partnership with the NGO Junior Achievement Rio de Janeiro, the Trilha Empreendedora project – Ocyan's volunteer program – counted in 2019 with the participation of 82 volunteers in Rio and Macaé, with a donation of more than one thousand volunteering hours from its employees during working hours.

The objective of the program is to teach students how to plan and execute projects, based on the application of methodologies used in the corporate world. At the high school, students participate in specific programs that contribute to their professional training, through activities and theoretical concepts on different topics.

During the activities carried out in the year, Ocyan volunteers were also able to talk a little about their own carriers' experiences, in an informal way, which allowed a bigger student engagement.



Sports

For Ocyan, supporting initiatives with a focus on sport helps social inclusion, teamwork, discipline and concentration, aspects that contribute to the transformation and development of socially vulnerable children and young people. It also contributes to the creation of ethical and behavioral values, as well as the individual, social and cognitive development of students.

Therefore, in 2019, the company started a partnership with *Instituto Acesso*, which offers jiu-jitsu sports activities during school hours for children, adolescents and young people from 12 neighborhoods in the city of Macaé. Ocyan participated by donation of material and financial resources to the sports center. The partnership was signed during a jiu-jitsu ceremony graduation to deliver the belts to 30 children, at the Polo de Cajueiros, in Macaé, 100 people participated in the event, including students, volunteers, teachers, instructors and other guests. In addition to the students' graduation, students received a certification and were also recognized for their improvement in behavioral development.



The Social Responsibility Program, *Escola em Ação*, have already benefited more than

26 thousand

children and adolescents in the municipalities of Macaé and Rio de Janeiro since its beginning in 2007.



Environmental commitments

Responsible management

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

Aware of environmental preservation, Ocyan invests in improvement actions to promote the conscious use of natural resources and the efficient management of its assets. Its strategy is oriented towards sustainable development and the search for integrated and responsible growth, which involves profitability, social development and environmental responsibility.

The company's commitment to the conservation of natural resources and the constant reduction in the use of non-renewable resources is guided by an efficient environmental management system, certified by the ISO 14001 standard,

and supported by the Sustainability Policy. In the Action Programs of leaders and subordinates, are agreed eco-efficiency goals, that are linked to variable remuneration, which follow the guidelines of the Global Compact and the Sustainable Development Goals (SDGs) – UN initiatives to which Ocyan is a signatory.

All the company's operational units have procedures to carry out the tasks in an efficient and safe way. In addition, the environmental management has rules, guidelines and orientation for emergency situations. These procedures detail the diagnosis of the predictable aspects and impacts and the definition of measures to eliminate or minimize them; the preparation for emergency care that may impact the environment; the proper management of waste, effluents and emissions; the training

and qualification of all members in environmental education to perform a work focused on prevention; among other relevant topics.

To assess the performance in its operations, ensure compliance with environmental requirements and standards and ensure the customer satisfaction. Ocyan has performance indicators and carries out several compliance audits during the year. One of the prominent risks related to well drilling activity is oil spillage into the sea, which can also cause serious damage to the environment, local communities affected, to the customer, the business, and the company's image. In 2019, 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]

Eco-efficiency master plan

[GRI 103-2, 103-3]

In mid-2019, the Drilling Business Unit launched an agenda called the Eco-efficiency Master Plan, which aims to assess the feasibility, propose and implement innovative actions and process improvement with an environmental interface in the offshore drilling units and onshore bases to reach an eco-efficiency excellence.

The plan is aligned with Ocyan's Sustainability Policy guidelines, meeting customer and market expectations and the UN Global Compact's Sustainable Development Goals. It was designed for biannual cycles, and the first cycle will be completed in the first half of 2021.

The Master Plan for Eco-efficiency includes projects with the following themes:

- Prevention of Oil Spill at the Sea;
- Reduction in the consumption of natural resources;
- Increase the use of environmental friendly products.
- Energy efficiency and GHG reduction;
- Reduction of waste sent to landfills;
- Environmental education.

Conscious use of resources

ENERGIA

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

In 2019, the company's energy consumption was 297.719 gigajoules (GJ). The result, considering all sources (gasoline, diesel, natural gas, kerosene, and electricity), is 37% higher than in 2018 (217.809 GJ). The main reason for this increase was the period in which the rig Norbe VI was at the shipyard undergoing maintenance and adjustment to start the new contract.

The total power energy consumed outside the company was 8.049.258 GJ in 2019, a reduction of 23% if compared to the previous year. Although there was a large increase in the category 'Activities related to the fuel and energy sector', due to the need of purchase fuel to Norbe VI, there was some reduction in the category 'Leased assets', since this asset was out of contract almost during the whole year.





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

	2018		2019	
	Liters	Gigajoules	Liters	Gigajoules
Non-renewable sources				
Gasoline	53,835	1,735	54,989	1,772
Diesel	37,448	1,330	16,277	578
Natural gas from the well	1,175,859	43,319	2,034,788	74,962
Aviation kerosene	41,129	1,415	74,453	2,561
Maritime diesel oil ¹	4,050,242	150,872	5,598,371	208,539
Renewable sources	MWh	Gigajoules	MWh	Gigajoules
Electricity	2,347,555	19,139	2,585,160	9,307
Total		217,809	-	297,719

¹ Data for 2018 reviewed, as at the conclusion of the 2018 Annual Report, the information obtained was not complete. |GRI 102-48|

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

	2018	2019
Chain of suppliers before company's operation		
Goods and services acquired	3,746	4,695
Activities related to the fuel and energy sector	4,110	278,553
Transportation and distribution	3,257	14,668
Business travels	92,989	45,647
After operation, including logistics suppliers, retailers and customers		
Leased assets (downstream) ¹	10,321,689	7,705,694
Total ¹	10,425,815	8,049,258

¹ Data for 2018 reviewed, as at the conclusion of the 2018 Annual Report, the information obtained was not complete. |GRI 102-48|

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

The water used by Ocyan does not significantly compromise water sources, since most of the resource used in the offshore units is produced on board, using as primary resource the sea water by desalination process. Only a small part comes from continental sources. In this case, it is collected on land and transported to the marine units by customer's vessels.

The onshore bases for logistical support are supplied by public concessionaires, and the water is used only for human consumption and sanitary sewage. The logistical support bases do not have any industrial processes that requires the water use in a significant way.

The company does not set consumption targets since its assets are rented by the customer and the its use is a direct consequence of their operation. However, there are minimum requirements established for suppliers whenever this represents a significant impact to the environment.

The total water collected from water sources by Ocyan in 2019 was 1.642.65 million liters, compared to 1.520.14¹ million liters in 2018, In 2019, 56.25 million liters were used internally. There was no recycling or reuse of water in the company's operations during the year. |GRI 303-3|



TOTAL OF WATER COLLECTED PER SOURCE (IN MILLIONS OF LITERS) |GRI 303-3|

Source	2018 ¹	2019
Sea/oceans	183.58	206.50
Third-party water	1,275.46	1,395.90
Total disposed (surface waters + groundwaters + sea/oceans + third-party water)	61.10	40.25
Disposal per type of water	1,520.14	1,642.65
Potable water	61.10	40.25
Other waters	1,459.04	1,602.40

¹ Data for 2018 reviewed, as at the conclusion of the 2018 Annual Report, the information obtained was not complete. |GRI 102-48|

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	2018 ¹	2019
Sea/oceans	1,465.71	1,578.37
Third-party water	6.59	8.03
Total disposed (surface waters + groundwaters + sea/oceans + third-party water)	1,472.30	1,586.40
Disposal per type of water	2018	2019
Potable water	196.84	190.50
Other waters	1,275.46	1,395.90

¹ Data for 2018 reviewed, as at the conclusion of the 2018 Annual Report, the information obtained was not complete. |GRI 102-48|

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

In operations of oil rigs in Brazil, the waste management is the customer's responsibility, in accordance with the local environmental licensing process. However, depending on the type of contract, Ocyan can perform the entire waste management process, since the generation on board to the proper final destination onshore, or just to be responsible for the waste management onboard the rigs.

Ocyan's waste management programs establishes methods that aims to ensure the reduction of generation and proper process of segregation, conditioning, storage,

transportation and final destination onshore. To ensure the tracking of waste generated in its activities, the company complies with current national and international laws, good practices to protect the environment and, whenever relevant, take into account the life cycle perspective in order to minimize the associated environmental impacts related to the activity.

For the waste generated in its activities, Ocyan works with the most environmental friendly final destination available on the market.



DISPOSAL OF WASTE ¹ | GRI 306-2 |

Hazardous waste	Weight (t)	Method of disposal
Batteries ²	10.79	Recycling
Electronics and fluorescent lamps ³	22.57	Recycling/Recovery/ Decontamination
Health waste (t)	0.36	Incinerator
Oils and greases	600.81	Refining of used oil / Recycling
Oily water	2,209.81	Reuse
Other hazardous waste (contaminated solids and chemicals out of use)	295.02	Co-processing / Industrial landfill / Blending
Non-hazardous waste	Weight (t)	Method of disposal
Paper/cardboard waste	48.40	Recycling
Mixed urban waste (common)	245.98	Landfill
Metal	378.38	Recycling
Plastic	45.07	Recycling
Glass	3.48	Recycling
Wood	101.15	Energy recovery
Kitchen oil	0.05	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, 201-2 |

Ocyan recognizes the relevance that the effects of climate change have on the sustainable development of the planet. 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.

In general, the impacts related to the risk of climate change 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 is 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 a lower emission of greenhouse gas. Ocyan has invested in studies to check possible actions to reduce the impacts of emissions generated by its activities.

Emissions

In 2019, scope 1 emissions (direct, under company control) totaled 20,317 tCO₂e, while scope 2 emissions (referring to electricity consumption) resulted in 188 tCO₂e, and scope 3 emissions (indirect, occurring in the chain of suppliers), in 606,838 tCO₂e.

The main reason for the increase of scope 1 in 2019 was the rig Norbe VI undergoing a period of maintenance and adjustment at the shipyard to start the new contract. The increase in scope

3 was the result of higher operational availability of assets.

It is important to mention that in Brazil, as defined by the local environmental licensing process, the emissions generated during the operations of the maritime units are customer's responsibility (scope 1). They are considered as scope 3 for Ocyan, which justifies their significantly higher values for this scope.

GREENHOUSE GAS EMISSIONS (tCO₂e)

| GRI 305-1, 305-2, 305-3 |

	2018	2019
Combustion – fixed sources ¹	12.698	20.122
Combustion – mobile sources	292	188
Fugitives – refrigeration ¹	58	2
Fugitives – extinguishers	2	2
Combustion – cut and welding	5	3
Total Scope 1 (direct emissions) ¹	13.055	20.317
Electric power	420	188
Total Scope 2 (energy purchase)	420	188
Products, assets and services purchased	305	155
Capital assets	1	200
Fuels purchased	62	2.338
T&D losses	100	44
Transportation of waste	44	758
Transportation of materials	55	53
Waste	34	79
Air travels	8.149	2.389
Operation of assets ¹	546.877	600.821
Total Scope 3 (indirect emissions) ¹	555.628	606.838
Overall total (1+2+3) ¹	569.103	627.343

¹ Data for 2018 reviewed, as at the conclusion of the 2018 Annual Report, the information obtained was not complete. | GRI 102-48 |



Sustainability management

For Ocyan, sustainability is an inalienable value. The company understands that acting for sustainable development implies going beyond the duty to comply with the laws and regulations that regulate its activities. It means understanding the trends and priorities of society and meeting the global conventions and commitments applicable in each place of operation, such as climate, biodiversity and human rights. It also means ensuring the proper management of socio-environmental risks related to its operations.

The company has a defined governance structure in 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.

Day by day, its actions and operations are guided by the guidelines established in its Sustainability Policy. The document contains a set of principles, which must be strictly followed by the entire company, assuring the upstanding, ethical, transparent and responsible conduction of its business, identifying and mitigating risks, improving the safety culture, the management of processes and competencies at all levels, in search of operational excellence.

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.



More information about Sustainability Management at Ocyan is available on the institutional website, under the Sustainability tab: 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 value of Ocyan. **[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

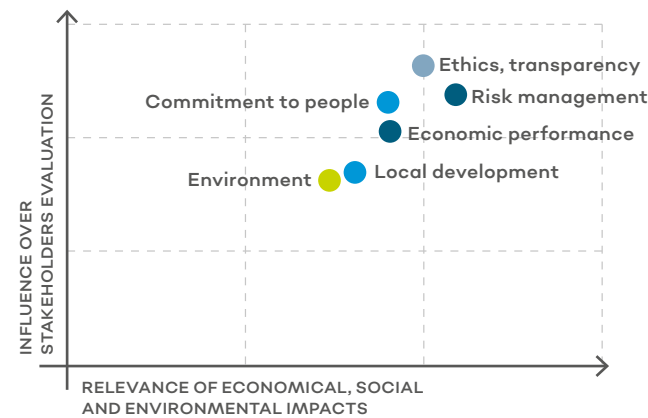
Step 5 – Preparation of the materiality matrix

- 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) Standards and the application of the AccountAbility AA1000 rules.

Materiality matrix [GRI 102-44]



- Social topics
- Environmental topics
- Economic topics
- Governance/ethics topics

MATERIAL TOPICS AND LIMITS

Theme	GRI Topic <small>[GRI 102-47]</small>	Internal limit <small>[GRI 103-1]</small>	External limit <small>[GRI 103-1]</small>	Related contents <small>GRI Standards</small>
Ethics and Transparency	Anti-corruption	All operations	Shareholders, customers, government, creditors, suppliers, communities	102-16, 102-17, 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
	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, 201-4
	Climate changes	All operations	Suppliers, communities	201-2
	Innovation	All operations	Customers, suppliers	-
Environment	Waste/Leakages	All operations	Suppliers	306-2, 306-3, 306-5
	Effluents – water pollution	All operations	Suppliers	306-1
	Emissions	All operations	Suppliers	305-1, 305-2, 305-3, 305-5, 305-6, 305-7
	Water	All operations	Suppliers	303-1, 303-2, 303-3, 303-4
	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

GRI 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.



GRI Standards	Disclosure	Page number	Omission and reason	Global Compact	SDG	
GRI 101: Foundation 2016						
General Disclosures						
GRI 102: General Disclosures 2016	Organizational profile					
	102-1	Name of the organization	6	-	-	-
	102-2	Activities, brands, products, and services	6	-	-	-
	102-3	Location of headquarters	6	-	-	-
	102-4	Location of operations	6	-	-	-
	102-5	Ownership and legal form	6	-	-	-
	102-6	Markets served	6, 7	-	-	-
	102-7	Scale of the organization	6	-	-	-
	102-8	Information on employees and other workers	29, 30	-	6	8
	102-9	Supply chain	40	-	-	-
	102-10	Significant changes to the organization and its supply chain	27 In 2019, there was a capital reduction of 17,400 thousand BRL	-	-	-
	102-11	Precautionary Principle or approach	17	-	-	-
	102-12	External initiatives	16	-	-	-
	102-13	Membership of associations	16	-	-	-
	Strategy					
102-14	Statement from senior decision-maker	4	-	-	-	
102-15	Key impacts, risks, and opportunities	17	-	-	-	
Ethics and integrity						
102-16	Values, principles, standards, and norms of behavior	7, 12, 19	-	10	16	
102-17	Mechanisms for advice and concerns about ethics	14	-	10	16	

GRI Standards	Disclosure	Page number	Omission and reason	Global Compact	SDG	
GRI 102: General Disclosures 2016	Governance					
	102-18	Governance structure	12	-	-	-
	102-19	Delegating authority	12	-	-	-
	102-22	Composition of the highest governance body and its committees	12	-	-	16
	102-23	Chair of the highest governance body	12	-	-	5, 16
	102-26	Role of highest governance body in setting purpose, values, and strategy	12	-	-	-
	102-32	Highest governance body's role in sustainability reporting	The Business Leader (CEO) formally analyzes and approves the published information.	-	-	-
	Stakeholder engagement					
	102-40	List of stakeholder groups	23, 52	-	-	-
	102-41	Collective bargaining agreements	29	-	3	8
	102-42	Identifying and selecting stakeholders	52	-	-	-
	102-43	Approach to stakeholder engagement	23	-	-	-
	102-44	Key topics and concerns raised	52	-	-	-
	Reporting practice					
	102-45	Entities included in the consolidated financial statements	3	-	-	-
102-46	Defining report content and topic Boundaries	52	-	-	-	
102-47	List of material topics	53	-	-	-	
102-48	Restatements of information	47	-	-	-	
102-49	Changes in reporting	No events	-	-	-	
102-50	Reporting period	3	-	-	-	
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	54	-	-	-	
102-55	GRI content index	54	-	-	-	
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	17, 18, 48, 53	-	-	-
	103-2	The management approach and its components	17, 18, 48	-	-	-
	103-3	Evaluation of the management approach	17, 18, 48	-	-	-

GRI Standards	Disclosure	Page number	Omission and reason	Global Compact	SDG
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	27	-	-	2, 5, 7, 8, 9
	201-2 Financial implications and other risks and opportunities due to climate change	48	-	7	13
Indirect economic impacts					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	41, 53	-	-	-
	103-2 The management approach and its components	41	-	-	-
	103-3 Evaluation of the management approach	41	-	-	-
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	41	-	-	2, 5, 7, 9, 11
Procurement practices					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	40, 53	-	-	-
	103-2 The management approach and its components	40	-	-	-
	103-3 Evaluation of the management approach	40	-	-	-
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	40			12
Anti-corruption					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	13, 53	-	-	-
	103-2 The management approach and its components	13	-	-	-
	103-3 Evaluation of the management approach	13	-	-	-
GRI 205: A Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	13	-	10	16
	205-3 Confirmed incidents of corruption and actions taken	14	-	10	16
Anti-competitive behavior					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	13, 53	-	-	-
	103-2 The management approach and its components	13	-	-	-
	103-3 Evaluation of the management approach	13	-	-	-
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	14		-	16
GRI 300 Environmental Standards Series					
Energy					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	44, 45, 53	-	-	-
	103-2 The management approach and its components	44, 45	-	-	-
	103-3 Evaluation of the management approach	44, 45	-	-	-

GRI Standards	Disclosure	Page number	Omission and reason	Global Compact	SDG
GRI 302: Energy 2016	302-1 Energy consumption within the organization	46		7, 8	7, 8, 12, 13
	302-2 Energy consumption outside of the organization	46		8	7, 8, 12, 13
Water and effluents					
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its Boundary	44, 46, 53	-	-	-
	103-2 The management approach and its components	44, 46	-	-	-
	103-3 Evaluation of the management approach	44, 46	-	-	-
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	46	-	7, 8	6
	303-2 Management of water discharge-related impacts	46	-	8	6, 15
	303-3 Water withdrawal	47	-	7, 8	6
	303-4 Water discharge	47	-	8	3, 6, 12, 14
Emissions					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	44, 48, 53	-	-	-
	103-2 The management approach and its components	44, 48	-	-	-
	103-3 Evaluation of the management approach	44, 48	-	-	-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	49	-	7, 8	3, 12, 13, 14, 15
	305-2 Energy indirect (Scope 2) GHG emissions	49	-	7, 8	3, 12, 13, 14, 15
	305-3 Other indirect (Scope 3) GHG emissions	49	-	7, 8	3, 12, 13, 14, 15
Effluents and waste					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	44, 47, 53	-	-	-
	103-2 The management approach and its components	44, 47	-	-	-
	103-3 Evaluation of the management approach	44, 47	-	-	-
GRI 306: Effluents and waste 2016	306-2 Waste by type and disposal method	48	-	8	3, 6, 12
	306-3 Significant spills	45	-	8	3, 6, 12, 14, 15

GRI Standards	Disclosure	Page number	Omission and reason	Global Compact	SDG
Environmental compliance					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	13, 53	-	-	-
	103-2 The management approach and its components	13, 44	-	-	-
	103-3 Evaluation of the management approach	13, 44	-	-	-
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	45	-	8	12, 13, 14, 15, 16
Supplier environmental assessment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	40, 53	-	-	-
	103-2 The management approach and its components	40	-	-	-
	103-3 Evaluation of the management approach	40	-	-	-
GRI 308: Supplier environmental assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	41	-	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	37, 53	-	-	-
	103-2 The management approach and its components	37	-	-	-
	103-3 Evaluation of the management approach	37	-	-	-
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	37	-	-	3
	403-2 Hazard identification, risk assessment, and incident investigation	37	-	-	8
	403-3 Occupational health services	37	-	-	3, 8
	403-4 Worker participation, consultation, and communication on occupational health and safety	37	-	-	8
	403-5 Worker training on occupational health and safety	37	-	-	8
	403-6 Promotion of worker health	36	-	-	3, 8
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	37	-	-	3, 8
	403-8 Workers covered by an occupational health and safety management system	37	-	-	3, 8
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	38	-	-	3, 8
403-9 Work-related injuries	38	-	-	3, 8	

GRI Standards	Disclosure	Page number	Omission and reason	Global Compact	SDG
Training and education					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	28, 34, 53	-	-	-
	103-2 The management approach and its components	28, 34	-	-	-
	103-3 Evaluation of the management approach	28, 34	-	-	-
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	33	-	6	4, 5, 8
	404-2 Programs for upgrading employee skills and transition assistance programs	34	-	6	8
Diversity and equal opportunity					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	28, 31, 53	-	-	-
	103-2 The management approach and its components	28, 31	-	-	-
	103-3 Evaluation of the management approach	28, 31	-	-	-
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	32, 33	-	6	5, 8, 16
Non-discrimination					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	13, 31, 53	-	-	-
	103-2 The management approach and its components	13, 28, 31	-	-	-
	103-3 Evaluation of the management approach	13, 28, 31	-	-	-
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Two complaints were sent to the Ethics Line channel, referring to arguments of a discriminatory nature by gender during discussions between members. Disciplinary measures were applied in both cases	-	6	5, 8, 16
Freedom of association and collective bargaining					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	28, 29, 53	-	-	-
	103-2 The management approach and its components	28, 29	-	-	-
	103-3 Evaluation of the management approach	28, 29	-	-	-
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	29	-	3	8

GRI Standards	Disclosure	Page number	Omission and reason	Global Compact	SDG
Child labor					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	13, 40, 53	-	-	-
	103-2 The management approach and its components	13, 40	-	-	-
	103-3 Evaluation of the management approach	13, 40	-	-	-
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	41	-	5	8, 16
Forced or compulsory labor					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	13, 40, 53	-	-	-
	103-2 The management approach and its components	13, 40	-	-	-
	103-3 Evaluation of the management approach	13, 40	-	-	-
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	41	-	4	8
Local communities					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	41, 53	-	-	-
	103-2 The management approach and its components	41	-	-	-
	103-3 Evaluation of the management approach	41	-	-	-
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	41	-	1	-
Supplier social assessment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	40, 53	-	-	-
	103-2 The management approach and its components	40	-	-	-
	103-3 Evaluation of the management approach	40	-	-	-
GRI 414: Supplier social assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	41	-	2	5, 8, 16
Public policy					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	13, 53	-	-	-
	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	13	-	10	16
Socioeconomic compliance					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	13, 53	-	-	-
	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	14	-	-	16

+ Global Compact Principles



HUMAN RIGHTS

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



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



LABOUR

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



Businesses should uphold the elimination of all forms of forced and compulsory labour;



Businesses should uphold the effective abolition of child labour; and



Businesses should uphold the elimination of discrimination in respect of employment and occupation.



ENVIRONMENT

Businesses should support a precautionary approach to environmental challenges;



Businesses should undertake initiatives to promote greater environmental responsibility; and



Businesses should 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

UN 2030 AGENDA





Corporate information

Board of directors

(Board membership on December 31st, 2019)

Luciano Guidolin – **President**
 Daniel Bezerra Villar
 André Amaro da Silveira
 José Coutinho Barbosa
 Roberto Prisco Paraíso Ramos
 Hatem Soliman
 Antonio Marco Campos Rabello

Responsible for Compliance

Gilberto Araujo Couto

Executive Board

Roberto Bischoff*
CEO

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

Nir Lander* – **Responsible for People, Planning, Communication, IT and Administration**

Marco Aurelio Costa Cruz Fonseca
Responsible for Sustainability

Rogério Luis Murat Ibrahim*
Responsible for Finance and Investment

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Credits

Area responsible for the report

Sustainability

GRI advisory and texts

Editora Contadino

Graphic design

Multi Design

Translation

Uno Traduções

Comments, suggestions, doubts or criticisms regarding its content, as well as the operations and initiatives of the company in Brazil can be sent through the channel: www.ocean-sa.com/fale-conosco. [GRI 102-53]



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