TEEKAY PETROJARL

# 2013 A GEUR NASSAII

IMO 9390977

SUSTAINABILITY REPORT

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# ABOUT THIS REPORT

You are now reading Teekay Petrojarl's 2013 sustainability report. Our annual sustainability reporting is one of the means by which we examine and elaborate on our targets, performance and initiatives within the area of sustainability in 2013.

his report describes our impacts on and approach to sustainability and associated challenges and opportunities. The report contains Standards Disclosures from the GlobalReporting Initiative G4 guidelines.

At Teekay Petrojarl, we aim to take people, planet and profit into consideration in all of our decisions and actions. Sustainability is a core value in Teekay and ensures the long-term health and success of our people, our business and the environment we work in. It involves a commitment to responsible safety and environmental practices, as well as an innovative approach to the use of technology and the development of projects.

We have identified our material issues as including the health and safety of our staff, minimizing our impact on the environment and climate change, the quality of our operations, emergency preparedness, responsible business practices and community involvement and charitable donations. We are committed to managing health, safety, environment and quality (HSEQ) using an integrated risk-based approach.

Our report covers all of Teekay Petrojarl's activities and entities in 2013, both onshore and offshore. The report excludes the activites of the FPSO Humminbird Spirit, which is not operated by Teekay Petrojarl, and those of the joint venture Odebrecht Teekay.

We aim for continuous self-improvement, also in the area of sustainability reporting. We aspire in 2014 to establish a Sustainability committee. The aim is that this will help us optimize our efforts within sustainability.

This report is meant for you as our stakeholders, whether you are a current or future employee, existing or potential business partner, shareholder, regulator, or simply someone with a keen interest in what we do.

We welcome your comments or input and if you would like to share any thoughts, please get in touch at: trd.reception@teekay.com, marking the e-mail "Sustainability Report 2013".

SUSTAINABILITY IS A CORE VALUE IN TEEKAY AND ENSURES THE LONG-TERM HEALTH AND SUCCESS OF OUR PEOPLE, OUR BUSINESS AND THE ENVIRONMENT WE WORK IN.

# TRIPLE BOTTOM LINE IN TEEKAY PETROJARL



• Our people

- Safety
- Health & working environment
- Corporate Social Responsbility



# PLANET

- Environment
- Emissions to air
- Discharges to sea
- Waste management



PROFIT

- Financial highlights
- International development
- Ethics and anti-corruption

# **OUR KEY FIGURES TEEKAY PETROJARL 2013**

# 2546 1 HSE IDEAS REGISTERED

HSE ideas - all health, safety, environment and security ideas, including performance improvement ideas and positive observation reports





2.4

🔶 HIGH POTENTIAL INCIDENT **FREQUENCY** 

Reported high potential incidents per million man hours worked

# PEOPLE

**HEALTH AND SAFETY** HUMAN RESOURCES



# **88/78** SATISFACTION %



Onshore/offshore. From eployee survey

# 2.4

# 🕹 TOTAL RECORDABLE INJURY **FREQUENCY**

Lost time injuries plus medical treatment injuries per million man hours worked

12.4

↑ % FEMALE **EMPLOYEES** 





# 20.7

COMBINED OIL PRODUCTION

Million barrels

567.62 Frevenues in thousand

US DOLLARS

<97% PRODUCTION UTILIZATION

FACTOR PUF

Vol % of system capacity

S IN IHOUSAND
8) For further details see the segment reporting part of the financial statements from Teekay Corporation. These can be found on www.teekay.com.





# **692**

TOTAL AMOUNT OF WASTE

Produced from Teekay Petrojar FPSOs and tankers (tons)



↓ TOTAL GHG EMISSIONS

Green House Gases. CO2 equivalents, thousand tons

32.5

OIL DISCHARGED WITH PRODUCED WATER (TONS)

**86,37** ↓ FLARING

# **PRESIDENT'S INTRODUCTION** BY PRESIDENT & CEO PETER LYTZEN

Welcome to Teekay Petrojarl's sustainability report for 2013. At Teekay Petrojarl we believe that a sustainable business conduct is the foundation for our long-term operational and commercial success. With this as a backdrop, the year 2013 was in many ways a challenging, yet exciting, year for us.

ealth, Safety and Environment (HSE) is always our number one priority and I am pleased to announce that from a safety perspective, 2013 was a very good year. I congratulate our crew with the accomplishment of zero Lost Time Injuries. Despite good safety and environmental statistics, Teekay Petrojarl recognizes that there is always room for improvement and we work continuously to meet our goal of zero harm to our people, the environment and equipment. Complacency is not an option.

In general, our operations throughout 2013 have not met our expectations and not been of the same standard and quality as we would like to see. As a consequence, our Production Utilization Factor (PUF) dropped below our target of >97%. Many of the problems can be explained by factors beyond our control, but nevertheless they have impacted our operations and revenue streams negatively. Start-up delays and technical challenges on two of our FPSOs has been the cause for this.

Despite of this, we also saw great accomplishments in 2013. The greatest was the securement of first oil on our new FPSO, Cidade de Itajaí only two months after the vessel arrived in the field from Singapore. This is an historic feat which we achieved in cooperation with our joint venture partner Odebrecht. I am very proud of all the involved personnel. The construction of the Knarr FPSO in South Korea is progressing as planned and is already approaching mechanical completion and commission-ing. When the vessel achieves first oil in the last quarter of 2014 we will have the best designed and constructed FPSO ever built for the North Sea.

In order to cope with growth and the organizational flexibility needed, our personnel are key to our success. A testament to this philosophy has been our sustained effort to secure continuous employment of the crew of Petrojarl I, which is now available for new contracts. I am very pleased to see that we have managed to find alternative jobs for this experienced group of colleagues. We also managed to strengthen our presence in the UK.

In 2014 we will continue our ambition to grow our Company. In Brazil our business development team is preparing for the big show in 2014, where we will bid for several new projects together with our esteemed partner Odebrecht. Our main challenge will be to improve our operations and develop our organizational efficiency to strengthen and grow our operations. We will get back on top of our operational track record while at the same time top project execution and reliability is ensured. A safe and efficient re-instatement of Banff FPSO and a timely installation of our new flagship FPSO, Petrojarl Knarr are key elements for a successful 2014.

Teekay Petrojarl will continue to be committed to improve our sustainable performance. I am certain that our efforts to being a responsible corporate citizen and by taking good care of our employees, our customers and the environment will keep us competitive in the years to come.



PETER LYTZEN President & CEO HEALTH, SAFETY AND ENVIRONMENT IS ALWAYS OUR NUMBER ONE PRIORITY

# **10**+YRS

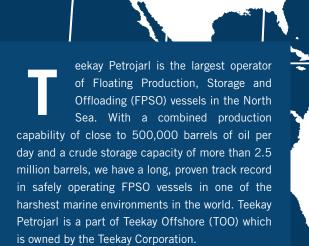
# WITHOUT ANY LOST TIME INCIDENTS

On our shuttle tankers Petroatlantic and Petronordic.

# **TEEKAY PETROJARL**

# **FACTS AND HISTORY**

PETRONORDIC SHUTTLE TANKER



PETROJARL FOINAVEN

Teekay Petrojarl currently owns 9 FPSOs. One on the Norwegian Continental Shelf, 4 on the UK Continental Shelf and 3 offshore Brazil of which one is jointly owned with Odebrecht. The ninth FPSO is currently is available for new contract. Our tenth FPSO is under construction in Geoje, Korea with planned start-up offshore western Norway at the end of 2014. Teekay Petrojarl also own and operate two shuttle tankers which serve the FPSO Petrojarl Foinaven which operate for BP west of Shetland.

Teekay Petrojarl's head office is located in Trondheim, Norway, and has operations offices in Norway, Scotland and Brazil. Our more than 1200 employees offshore and onshore are professionals with a unique blend of operational and engineering expertise.



PETROATLANTIC

SHUTTLE TANKER

PETROBRAS

ARAC

MACAÉ

**RIO DE JANEIRO** 

ITAJA

PETROJARL CIDADE DE RIO DAS OSTRAS PETROBRAS

FPSO CIDADE DE ITAJAI PETROBRAS



eekay Petrojarl is part of Teekay Corporation. Established in 1973, Teekay has developed from a regional shipping company into one of the world's largest marine energy transportation, storage and production companies. Over the last 20 years, we have grown tenfold in assets, created four publicly traded companies, established numerous joint ventures and built an envi-

able reputation and brand for operational excellence.

CNR

PETROJARL VARG

TALISMAN

We remain committed to the highest level of health, safety, environment and quality (HSEQ), maximizing the invested rate of return (IRR) for our shareholders and delivering innovative technological and commercial solutions in new and emerging market segments.

Teekay's common stock is listed on the New York Stock Exchange where it trades under the symbol "TK".

VOYAGEUR SPIRIT

E.ON

PETROJARL I

AVAILABLE FOR CONTRACT

OUR VISION IS TO BRING ENERGY TO THE WORLD WITH TEEKAY SPIRIT. OUR CORE VALUES OF SAFETY AND SUSTAINABILITY, PASSION, INTEGRITY, RELIABILITY, INNOVATION AND TEAMWORK GUIDE US IN ALL WHAT WE DO AND WILL DO.

# 2013 TEEKAY PETROJARL'S YEAR IN BRIEF

# JANUARY

In January, the OOG TK joint venture operations base office in Itajai became fully operational as the last team members returned home from the project office in Singapore. It is from this office that the operation of the FPSO Cidade de Itajaí is administered. The city Itajaí is lies in the beautiful state of Santa Catarina, in the south of Brazil.

Teekay Petrojarl has just signed a new one-year contract for 2013 with Olavsfestdagene (St. Olav Festival) to be one of its four main sponsors in 2013. This sponsorship is a part of Teeky Petrojarls ambition to be a positive force in the community we operate in by supporting local initiatives and events.

# FEBRUARY

Teekay Petrojarl saw the end of an era when the production of our FPSO Petrojarl I was shut down in February 2013. Petrojarl I was the world's first purpose built FPSO when it was constructed in 1986. Petrojarl I has been producing for Statoil in the Glitne field since 2001. The field was the last of a total of 10, an impressive accomplishment that illustrate the flexibility of the FPSO. An estimation made in 2001 predicted a field life for Glitne of two to three years with recoverable oil reserves up to 25,2 million barrels of oil. However, Petrojarl I and her crew put those estimations to shame when she after 11 years had produced nearly 56 million barrels of oil with an aggregated value of 34 billion NOK.

As one era ends, another one begins; the FPSO Cidade de Itajaí, operated as a joint venture with Odebrecht achieved first oil in february 2013. This is an impressive feat as the vessel arrived on field only 2 months prior to achieving first oil. Teekay Petrojarl is proud of what we have accomplished together with Odebrecht.

We are also happy to report that our FPSO, Piranema Spirit, could celebrate 5 years without any Lost Time Incident. Congratulations.

# MARCH

In March 2013 one of our shuttle tankers, M/T Petroatlantic, passed an impressive milestone of ten years without any Lost Time Incidents. Her sister ship, M/T Petronordic, passed the same milestone in November the previous year. This impressive result showcase the excellent performance of the officers and crew aboard the two vessels operating in harsh weather west of Shetland.



# APRIL

In April 2013 our FPSO Voyageur Spirit achieved first oil on the Huntington field in the UK continental shelf. This was achieved following a complex and extended upgrade of the vessels production facilities. Voyageur Spirit operates the field under contract of E.ON.



# JUNE

Another chapter in the life of the Petrojarl Cidade de Rio das Ostras began on 12 June when the move to a new oilfield in the Campos Basin was completed.

The PJO was previously moored in deep water, 805 metres, at the Aruana Field and has now moved to an even deeper, 1123 metres, location to produce in the Espadarte Field.

# **SEPTEMBER**

In September 2013, Teekay Petrojarl has agreed on an extension of the contract with Centrica Energy for production of the Chestnut Field by the Hummingbird Spirit. The agreement contains a firm one-year extension for 2014 which potentially can lead to employment until the end of March 2016. Centrica is also carrying out work and may further extend the agreement so the unit could be employed on the Chestnut field into 2017.



# **OCTOBER**

In oktober 2013 Petrojarl Foinhaven passed an important milestone of one year without any Lost Time Incidents



# DECEMBER

Teekay Petrojarl is delighted to congratulate Petrojarl Varg with 15 successful years of operation at the Varg field. During 2013, extensive top-side and subsea modifications have been executed to enable the FPSO to export produced gas which exemplifies Teekay Petrojarls ability to increase the profitability of its operations. The first gas was exported without any incident from the Varg field in the beginning of February.

# PETROJARL KNARR

Teekay Petrojarls new flagship, Petrojarl Knarr, is currently under construction at The Samsung Heavy Industries (SHI) yard in South Korea. The state of the art FPSO was launched to sea in the autumn of 2012 and work has progressed steadily throughout 2013. At the end of 2013 most of the topsides modules had been assembled and the vessel is looking more and more as she will do on field. Both Teekay and Samsung Heavy Industries put HSE at the highest priority during the construction of Petrojarl Knarr. The effort have given result and with combined workhours of more than 1,5 million in 2013 Teekay Petrojarl and SHI has a Lost Time Injury Frequency rate of just 1,42 and no spills or breaches of environmental regulations.

Petrojarl Knarr is scheduled to sail from South Korea to its field outside western Norway in the summer of 2014 with planned first oil sometime in the last quarter of 2014.

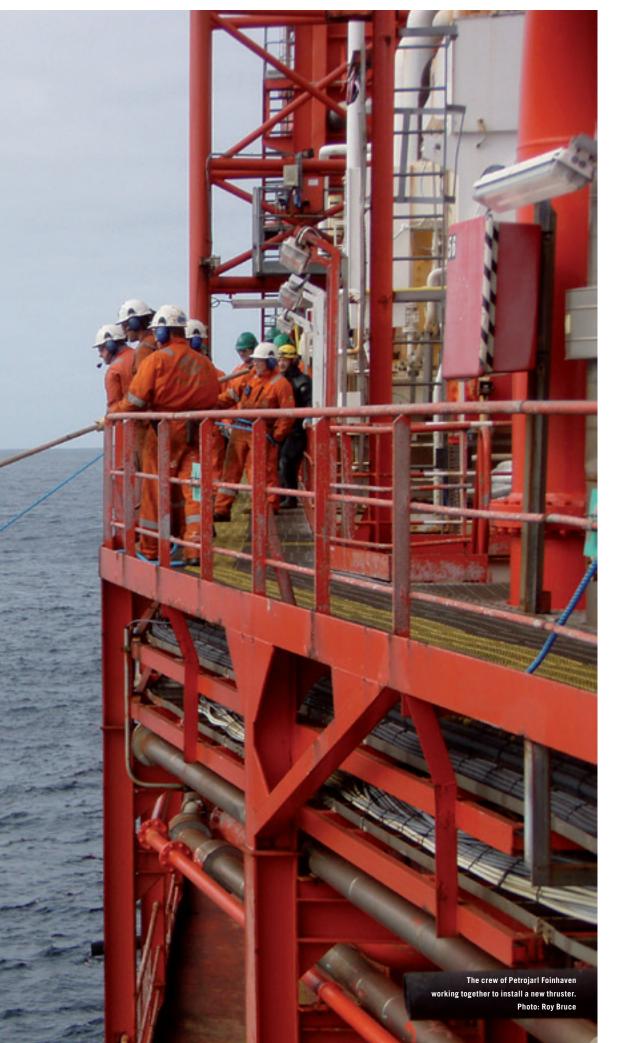




Photo: Jon Terje Kråkvik

# PETROJARL KNARR NASSAU

OUR CORE VALUES **OF SAFETY AND** SUSTAINABILITY, PASSION, INTEGRITY, RELIABILITY, INNOVATIONAND TEAMWORK Guide US In **ALL WHAT** WE DO AND WILL DO



# PEOPLE

At the end of 2013, Teekay Petrojarl had 1031 employees located offshore and in our offices in Norway, Scotland, Brazil and South Korea. In addition, we had also 178 contractors, consultants and part time employees working for us in 2013.

eekay Petrojarl's people are our most important asset. The motivation, good health and safety of our employees are crucial elements if we are to grow and keep our operational track record. In this section you can read more about how we work to ensure the well-being of our employees, their safety and that of our assets and how we give back to the communities in which we operate.

#### WHAT ARE THE CHALLENGES?

Teekay Petrojarl operates in an industry which is heavily reliant on the knowledge and experience of its people. Our personnel are key to our success and our most valuable asset.

Our most demanding processes in 2013 were related to operational and project changes which altered the resource demand in the company.

The reinstatement of the FPSO Petrojarl Banff, the introduction of Voyageur Spirit on the field and the manning of Petrojarl Knarr, our new FPSO, were recruitment processes which required a lot of effort. In addition, the closing of our project office in Singapore connected to the successful construction and instatement of the FPSO Cidade de Itajaí required an effective redeployment of the men and women who were stationed there.

I April 2013, our first FPSO, Petrojarl I, was towed from the Glitne field to Lay-up. This signified an end of an area for the vessel, and much effort was put into taking care of her crew.

We are very happy to report that we managed to redeploy all crew from Petrojarl I after its decommissioning. This stands as an example of the flexibility and care that exists within Teekay Petrojarl.

An important KPI for Teekay Petrojarl in 2013 was the strengthening of our organisation in Aberdeen. Our personnel moved into a new and modern building and the organisational structure has been strengthened for future development.

# WHAT ARE WE DOING AND WHAT HAVE WE ACHIEVED?

#### **RECRUITMENT AND GROWTH**

Teekay Petrojarl is growing, and in 2013 we recruited a total of 476 people of which 57 was onshore. In 2013 we had a turnover of 7,8 onshore and 9,06 offshore, which is above our target of 5% offshore and 7% onshore.

Teekay Petrojal strives to be a flexible company for its employees in order to







secure sustainable growth and experience transfer. In 2013 more than 120 people got new opportunities internally, both off- and onshore and in projects.

As one of our most important stakeholder, we value the feedback from each and every one of our employees. Together with the annual performance review, the the main tool for assessing our employees' satisfaction with working for Teekay Petrojarl is the Teekay Global Employee Survey. The survey creates valuable input on how we do as an employer, and gives us feedback on areas of improvement.

We want as many of our employees as possible to participate in this important feedback exercise. Our goal is that at least 80% of the offshore personnel and 90% of the onshore employees give us their input. We are happy to report that this goal was met in 2013, with a participation rate of 96% onshore and 83% offshore. The results are closely follow up and all units and departments choose at least one focus area for which they make an follow-up action plan.

## TRAINING AND DEVELOPMENT

In Teekay Petrojarl, our number one goal is to produce oil safely and efficiently. Therefore, continuous training and development of our staff is essential to keep up to date with operational procedures, technical equipment, as well as legal and internal requirements. Our procedures and systems for training and development ensure that knowledge and training is relevant and up to date at all times.

Our employees spent a total of 8289 days in training in 2013, an increase of 6% since 2012 and 73% from 2011. This is mainly due to organizational growth, but is also a consequence of our focus on increasing the competence in the company. Teekay Petrojarl also offers leadership and talent development training which is designed to enhance the positive qualities of our employees.

## **DIVERSITY**

Teekay Petrojarl recognizes the value of having a diverse organisation with people from different nationalities and a balanced gender distribution. Compared to 2012, Teekay Petrojarl has managed to increase in the percentage of female employees both on and offshore but our vessels are still male dominated. In 2013, just 4,5% of all employees offshore were female, compared to 37,5% onshore.

Teekay Petrojarl has offices in Norway, UK, Brazil and South Korea and as such we have a truly international group of employees. In 2013, the majority of our employees, 47%, are Norwegian while Brazilian workers constitute 25% of the entire workforce. The percentage of British workers have gone down from 25,7% to 20,5%.

The remaining 7% of employees represent ten different nationalities, where the majority is from the Philippines.

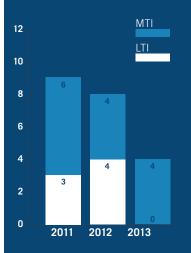
We have a conscious approach to hiring local employees and at the same time utilizing our extensive operational experience of our existing crew to secure a competent and motivated employees.

# OUR EMPLOYEES SPENT A TOTAL OF **8289** D A Y S IN TRAINING IN 2013





## PERSONNEL INJURIES



Number of Medical Treatment Injuries (MTI) Personal injuries requiring medical treatment

## Lost Time Injuries (LTI)

Personal injuries where the person was not able to work the following day - in the fleet. Not counting leisure time incidents.

In 2013, Teekay Petrojarl experienced zero LTIs. This gave us a TRIF rate of 2,40, the lowest in the company's history. Regrettably, we did not improve on the number of MTI's in 2013, which landed on a total of 4 incidents, same as in 2012. The MTI's included three minor lacerations and debris on eye.

# SAFETY

## WHAT ARE THE CHALLENGES?

Ensuring the safety of our people, assets and the environment is our most crucial license to operate. Teekay Petrojarl put safety first, always. HSE management is an integral part of our management system and go across boundaries within the organisation. We focus our work around two key areas:

- Safety in operations
- Safety in projects

Regarding safety, the focus during 2013 has been to align the new vessels with the Teekay Petrojarls culture and procedures. There has also been a focus on integrating the Teekay Petrojarl HSE culture into the Banff Reinstatement project and the construction of Knarr in South Korea.

## WHAT ARE WE DOING AND WHAT HAVE WE ACHIEVED?

Our objective is zero harm to our people, our assets and the environment we operate in. To achieve this, Teekay Petrojarl has implemented extensive procedures and tools in cooperation with the men and women who use them. We also focus on keeping are crew well trained and updated within their field of work so that they have the best tools and methods to ensure a safe and productive workplace. A management system is in place to ensure continuous improvement of our safety performance.

Teekay Petrojarl takes a proactive approach to mitigating the risk of accidents. With regular inspections, by internal and external parties, investigations of serious accidents or close-calls and HSE reporting we take a proactive approach to uncovering potentials for improvement. Our personnel are encouraged to report not only incidents and hazardous conditions, but ideas and suggestions as well. In 2013 we received more than 2500 HSE ideas registered via Safe Cards. The contributions are followed up and the best ideas are implemented on the vessel and fleet wide when applicable.

Every year, Teekay Petrojarl launches its HSE level 1 programme. This programme illustrates the goals of each HSE discipline on a company level and is a vital part of our effort to continuously improve ourselves. The programme is developed together with representatives from all vessels, licence holders and operators.

This comes in addition to various campaigns aimed at increasing safety, efficiency and wellbeing both onshore and on-board our vessels.

After each campaign we see a reduced frequency of injury and potential accidents and we are happy to report that there were zero Lost Time Injuries(LTI) in 2013. Teekay Petrojarl has the lowest Total Recordable injury frequency since 2004 at 2,40. This is a result of continuous learning and improvement, and we commend our crew for their good work.

There are few industries where a situation can go from good to bad as quickly as in the offshore industry. Emergency preparedness is therefore an essential part of our HSE culture. Our offshore personnel participate in weekly drills to test and improve emergency response plans and capabilities. Ashore, our emergency response team

LOST TEEK LOWE FREQ

LOST TIME INJURIES (LTI) IN 2013. TEEKAY PETROJARL HAS THE LOWEST TOTAL RECORDABLE INJURY FREQUENCY SINCE 2004 AT 2,40.



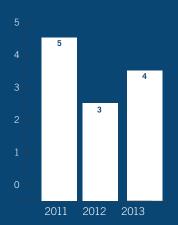
# TEEKAY PETROJARL MAINTAINS OUR STRONG FOCUS ON HEALTH, SAFETY AND ENVIRONMENT NOT ONLY IN OUR DAILY OPERATIONS, BUT ALSO IN OUR PROJECTS.

take part in routine internal and external preparedness exercises. All of our offices have personnel on 24/7 duty who are supported by the emergency response team and a well-equipped emergency response centres.

Assessing risk is a key method of uncovering and mitigating potential accidents. In 2013 we strived to ensure the safety of our people and assets by increasing the competence of Quantitative Risk Assessment within the fleet.

Teekay Petrojarl maintains our strong focus on Health, Safety and Environment not only in our daily operations, but also in our projects. HSE management is an integral part of our project management when executing projects. Each project site develops and distributes individual HSE plans annually during the project phase. In 2013 we had three main projects, the construction of the Petrojarl Knarr FPSO in South Korea, the Banff Re-instatement Project in Germany and our newly constructed FPSO Cidade de Itajaí being towed from Singapore to the coast of Brazil. Teekay Petrojarl cooperates with our main project contractors, the shipyards, to influence the HSE standards in a positive way and to continuously improve ourselves. Site audits are regularly carried out throughout the project and HSE reporting are encouraged, just as it is in our own fleet.

# HIGH POTENTIAL INCIDENTS

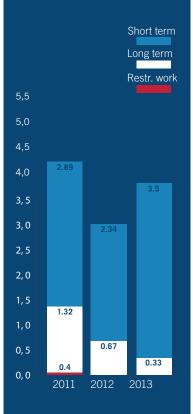


**Number of High potential HSE incidents** (HSE incidents with serious potential consequences) in the fleet.

We had on more High Potential Incident in 2013 than in 2012. This took the total number of HiPOs up to 4.

The most serious incident was a small fire in one of the turbines of Piranema Spirit. The fire was quickly extinguished.

## SICK LEAVE IN TEEKAY PETROJARL FROM 2010 TO 2012



#### Definition

Short- term, long-term and restricted work

For FPSOs and main office

#### **Trends explained**

Increase in sick leave from 2012 (3,76 % ) to 2013 ( 5,44% ). Mainly due to a general increase in our FPSO fleet, but high figures for Petrojarl Banff drives the average up.

# HEALTH AND WORKING ENVIRONMENT

## WHAT ARE THE CHALLENGES?

It is about our colleagues - and our own lives. Teekay Petrojarl operate in an industry with a number of issues which can involve the risk of work-related diseases and accidents with the potential of serious human and economic consequences for the individual employee, the employee's family and employer.

The largest health risk factors defined and identified in our industry are noise, chemical exposure, and heavy manual work. If the right protection is not used in a noisy environment the result can be reduced hearing and chronic tinnitus. Many of the chemicals used can cause adverse health effect and manual labor with heavy lifting and repetitive tasks can cause strain and injuries. These important issues require significant knowledge and risk assessment to ensure that we continuously remove or reduce the risk potential.

## WHAT ARE WE DOING AND WHAT HAVE WE ACHIEVED?

Teekay Petrojarl has extensive policies related to HSE, incuding manuals and procedures for health and work environment. These documents require and expect management to constantly focus on health and the working environment. To be able to succeed, we promote the participation of our crew and welcome their initiatives in improving and developing their own workplace.

In 2013 we had a special focus on noise management in our fleet. By mapping all processes with regards to noise management, three annual noise plans were established together with each operation. In this way we implemented a common noise management approach, more proactive and predictable use of resources, and with efficient actions.

A healthy workplace facilitates for healthy factors for good health, good performance and healthy lifestyle. The choice of lifestyle is a private matter, but Teekay Petrojarl clearly see a mutual benefit to facilitate, encourage and provide a range of programs of activities on land and at sea that can contribute to healthy and spirited employees who take care of their own health. The gym facilities frequently used by many, and healthy food options are always available in the mess.

# CORPORATE SOCIAL RESPONSIBILITY (CSR)

#### WHAT ARE THE CHALLENGES?

In Teekay Petrojarl we acknowledge that our business does not exist in isolation. Our customers, employees, the environment, suppliers and the local community are all affected by our operations and activities. Sustainability is about expanding our business while at the same time increasing our positive effect on our stakeholders. They depend on us to be a responsible, long term oriented company, where ever in the world we operate.

#### WHAT ARE WE DOING AND WHAT HAVE WE ACHIEVED?

#### **International Growth**

Increased activities and growth in countries where governance and development issues present challenges for our company means we need to make sure we are conducting our business in a responsible manner, respecting and exceeding the demands of local and international regulations and codes of conduct.

#### Suppliers

Teekay Petrojarl purchased from more than 3000 suppliers in 2013 and we recognize the large social and environmental impact we can have through our supply chain. That is why we are currently developing our own CSR policy that all of our key suppliers have to meet. Our purchase personnel have also been trained in how to ensure ethical and sustainable purchases. Teekay Petrojarl has projects and operations worldwide. We strive to use suppliers local to our countries of operation. In our industry we tend to work with a wide range of suppliers, of everything ranging from chemicals, to catering services to mechanical spare parts.

Excluding our conversion and newbuilding projects, we purchased goods and services for over 500 million NOK in 2013. Of these, purchases in Norway accounted for approximately 157 MNOK (72% local content), UK for over 284 MNOK (62% local content) and Brazil for over 57MNOK (55% local content).

Our conversion and new building projects accounted for more than 51 MNOK of purchases in 2013.

#### **Community Investments**

Teekay Petrojarl manages our activities in the communities we operate in a way that has a positive impact on our business, the environment and the local community. Contributing to a community gives options and possibilities to invest locally, in employees, in goods, in training and to take part in community programs. This is a part of who we are and an integral part of our business.

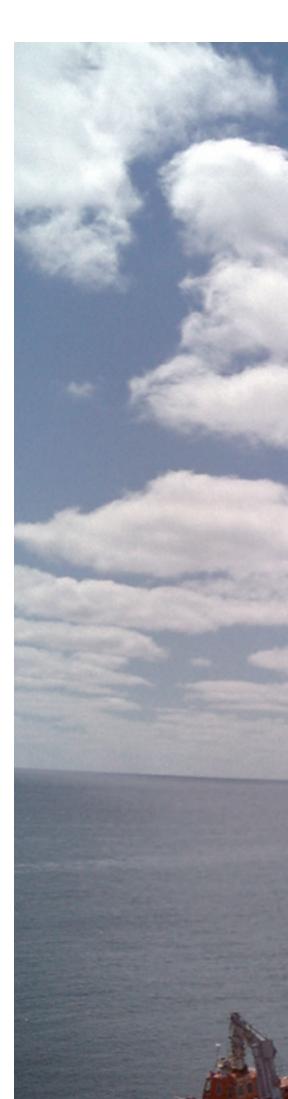
Our community investments are split into three main categories:

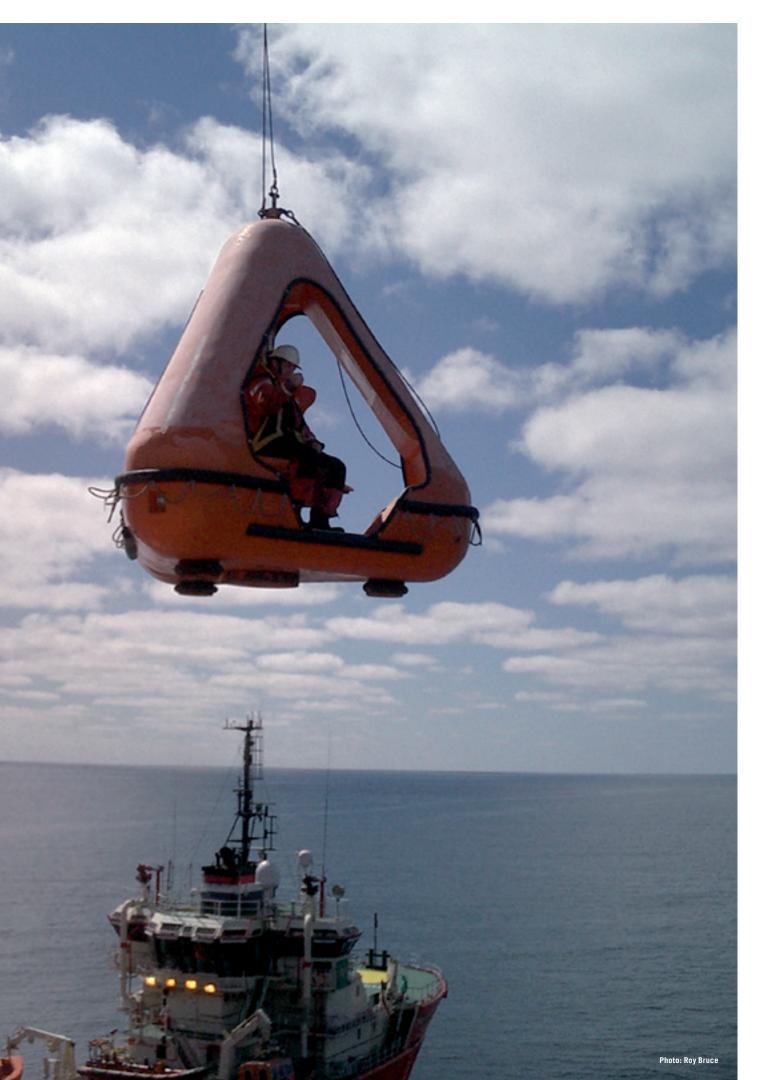
- Campaign awards and local donations
- Donations and community programs
- Cultural initiatives and events

In 2013 Teekay Petrojarl was a main sponsor of the St. Olavs festival, one of the largest cultural events on Trondheim, Norway. Our Social Footprints Committee supported several organisations in 2013 as a part of our community investment. Among the recipients were "Save the Children" and "LIVE"- The national association for families of suicide victims.

We are proud to have engaged and caring employees which on their own initiative collect and donate funds and effort to charitable causes. Among the highlights in 2013 was Teekay Petrojarl participation in the national telethon where the funds were earmarked for measures against Alzheimer's disease and dementia. Our employees contributed to the fundraiser by taking turns on exercise bikes for 24 hour. The fundraiser was organized by a local gym and collected over 500 000 NOK, one of the largest single contribution to the campaign.

# TEEKAY PETROJARL PARTICIPATED IN THE NATIONAL TELETHON WHERE THE FUNDS WERE EARMARKED FOR MEASURES AGAINST ALZHEIMER'S DISEASE AND DEMENTIA.







# IN THE YEARS TO COME, TEEKAY PETROJARL WILL CONTINUE TO BE COMMITTED TO SUSTAINABLE PERFORMANCE



# PLANET

Teekay Petrojarl operates with a zero emissions vision. We are therefore committed to work actively to minimize our negative effect on the environment in all stages of our business.

eekay Petrojarl has for more than 25 years operated in harsh and ultra-harsh seas. These areas are home to a unique biodiversity which is vulnerable to all forms of pollution. As Teekay Petrojarl is a part of an industry with significant effects on the natural environment, it is our responsibility to constantly focus on how we can minimize our negative effect on the environment in which we operate.

Teekay Petrojarl operates with a zero emissions vision. We are therefore committed to work actively to minimize our negative effect on the environment in all stages of our operation.

As the first FPSO operator in the world, Teekay Petrojarl certified our FPSOs according to ISO 14001 standard in the late 1990s.Today our commitment to

# ALL OUR VESSELS AND OUR MAIN OFFICE ARE ISO 14001 CERTIFIED

environmental responsibility is well integrated into our management systems and procedures, including day to day thinking. Our main office and all but one of our vessels are ISO 14001 certified. Our newest FPSO, Voyageur Spirit is in the process of being certified.

# ENVIRONMENT

WHAT ARE THE CHALLENGES?

We operate in mature fields which require more energy input to sustain oil production, which will necessarily have an impact on our environmental results. As mentioned, most of our FPSOs operate in harsh and ultra-harsh environments in the North Sea. Also, sustained wear and tear due to adverse weather conditions may increase the risk of environmental impacts.

Our planet's climate is changing, and the latest UN climate report leaves no doubt to the fact that the changes are man-made. The biggest contributor to climate change is Carbon Dioxide from the burning of fossil fuels like oil, gas and coal. Teekay Petrojal is an oil production company and on one hand a part of the problem. On the other hand our civilization cannot meet the ever growing energy demand through renewable energy sources alone. We are committed to meet that demand, while at the same time continuously improving our environmental performance and optimize our energy consumption.

## WHAT ARE WE DOING AND WHAT HAVE WE ACHIEVED?

In 2013 we continued our work with energy management which was introduced the previous year. This year the focus has been to increase the awareness on energy management and gathering input from our offshore crew on how we best can optimize our energy use on each vessel. To achieve this, a fleet wide energy management course and self-assessment tool was issued in the last quarter of 2013.

This year we also reintroduced environmental 'Green Teams' in our entire fleet. Through a revision of our administrative procedures and in close cooperation with each individual vessel, both tankers and FPSOs are now encouraged to assemble at least one green team which will meet regularly. Each green team consists of personnel with different rolls and experience and their main responsibility is to assess and improve the environmental performance of their vessel.

Through 2013 we have seen a significant reduction of the volume of chemicals and oil accidentally being spilled to sea. We have also se see a reduction in waste production and an increase of the segregation rate. We also see a decrease in the amount of oil being discharged to sea with the produced water from 38tons in 2012 to 32 tons in 2013.

Through 2013 we have seen a significant reduction of the volume of chemicals and oil accidentally being spilled to sea. We have also se see a reduction in waste production and an increase of the segregation rate.



**99%** REDUCTION IN VOLUME OF ACCIDENTAL SPILLS FROM 2012 TO 2013

# EMISSIONS TO AIR

# **GHG EMISSIONS**

## Definition

Greenhouse gas emissions (CO<sup>2</sup>, CH<sup>4</sup> and nmVOC) in CO<sup>2</sup> equivalents from TKPJ operations (FPSOs and tankers) in thousand tonnes.

## **Trends explanation**

We see a reduction in the total CO<sup>2</sup> emissions of 11% from 2012 to 2013. This reduction mainly due to operational factors in 2013. PJI was taken off field and PJO have had low production due to field complications. As in 2012, Petrojarl Banff was at yard all of 2013.



#### Definition

For FPSOs: Average specific GHG emission (kg CO<sup>2</sup> equivalents per liquid treated). "Liquid treated" includes both oil equivalents produced and produced water handled

For our tankers, the specific GHG emissions equals kg CO<sup>2</sup> equivalents per m<sup>3</sup> of oil transported

## **Trends explanation**

Even though we see a reduction of total GHG emissions, specific GHG emissions have increased with 17% since 2012. This is due to a lower production than in the previous years with the consequence of higher relative emissions. Neither PJP nor PJO have any produced water, which increase the fleet average.

# WASTE MANAGEMENT

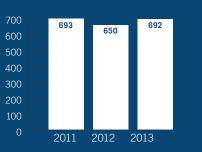
# WASTE PRODUCTION

#### Definition

Total waste (hazardous and general waste) produced on our FPSOs and tankers (in tonnes).

#### **Trends explanation**

We see an increase of our offshore waste production from 650 tonnes in 2012 to 692 2013. This 6% increases takes us back to 2011 a level where total waste production was 693 tons.



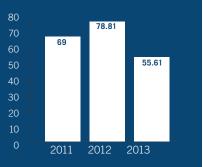
# WASTE SEGREGATION

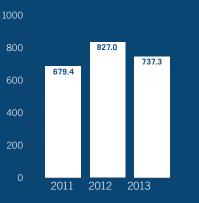
## Definition

Average percentage of general waste segregated on board our FPSOs.

#### **Trends explanation**

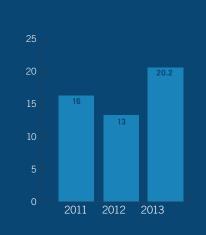
The segregation rate on the Norwegian and continental shelf averaged around 90% but poor waste segregation on other vessels lowers the total average to a dissapointing 55,61 %







# **DISCHARGES TO SEA**



49.8

2011

38.3

2012

32.5

2013

# **PRODUCED WATER OIL CONTENT**

## Definition

Average produced water oil content (mg/l) from Teekay Petrojarl FPSOs.

#### **Trends explanation**

We see an increase of the average oil content in produced water from 2012-2013 of 37 % to 20,2mg/l. This is mainly due to issues with the de-oilfier on PJ Foinaven. Produced water on this FPSO is mainly reinjected into the reservoir. This average includes only FPSO that discharge produce water. If we include all FPSOs, the OiW average is 8,1 mg/l.

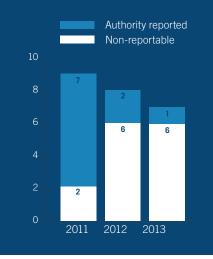
# TOTAL OIL TO WATER

#### Definition

Total number of accidental discharges of oil and chemicals to sea.

#### **Trends explanation**

Total amount of oil to water has decreased from 38,3 tons in 2012 to 32,5 tons in 2013. Since 2011, Teekay Petrojarl has reduced the amoun of oil going to water with 35%. This is mainly due to the fact that none of our FPSOs in Brazil produce any water and that Petrojarl I was off field most of 2013.



# **ACCIDENTAL SPILLS**

#### Definition

Weight of oil discharged to water through produced water from FPSOs in tonnes.

## **Trends explanation**

In 2013, 59 litres of oil and 8 litres of chemicals were accidentally spilled to sea. This is a reduction of 99% when 1087 litres of chemicals and 618 litres of oil was accidentally discharges to sea.

All spills in 2013 was minor.

AIR TRAVELS IN TEEKAY PETROJARL ACCOUNTED FOR 3 929 TONS OF  $CO_2$  in 2013 While Power Consumption at the main office Accounted for 44 tons of  $CO_2$ .



# WE PLAN TO STRENGTHEN OUR ALREADY STRONG POSITION IN HARSH AND

ULTRA-HARSH ENVIRONMENTS

> The FPSO Cidade de Itajai Photo: Morten Mehli

# PROFIT

In this chapter, we take a closer look at the operational performance, international development and financial highlights of 2013.



rofit is perhaps the most critical part of the triple bottom line. If Teekay Petrojarl does not keep a strong focus on the value creation of the company our possibility to be a positive sustainable impact in the future is reduced.

#### WHAT ARE THE CHALLENGES?

We need to ensure a safe and profitable operation while at the same time growing our business in a sustainable way. Teekay Petrojarl needs robust financial results to keep our position in the market and 2013 has been an especially difficult year.

# SIGNIFICANT DEVELOPMENTS AND FINANCIAL HIGHLIGHTS

2013 har been a challenging year for Teekay Petrojarl. Technical issues aboard two of our FPSO have resulted in a Production Utilization Factor which is below our target of 97%. The PUF is one of the indicators we use to get a picture of our ability to provide reliable production and operation to our clients. The causes for our unsatisfactory process plant uptime can be explained by factors that outside of our control, but we have also experienced challenges related to the re-instatement of Banff and the instatement of Voyageur Spirit.

Nevertheless, we plan to learn and continuously improve our self for the future. Teekay Petrojarl is certain that our results will improve in 2014.

We are proud of our success of Cidade de Itajaí which struck first oil less than two months after it arrived on field in early 2013. This is an unprecedented achievement which we share with our esteemed joint venture partner Odebrecht.

# INTERNATIONAL DEVELOPMENT

Teekay Petrojarl plan to acquire 3-5 projects within 2020. Our focus has turned more towards Brazil, but we also see exciting possibilities in West Africa and the Gulf of Mexico. At the same time we plan to strengthen our already strong position in harsh and ultra-harsh environments.

The construction of Petrojarl Knarr is proceeding well and sail-away is planned for the summer of 2014.

# ETHICS AND ANTI-CORRUPTION

Corruption is one of the greatest obstacle to economic growth and social prosperity and equality. We want to grow the right way, and acknowledge the fact that it is not enough to do good business, but that we also have to be a good corporate citizen. Our business decisions and actions must be ethical and in full compliance with legal requirements. The standard Business Conduct (SBC) reflects our OUR FOCUS HAS TURNED MORE TOWARDS BRAZIL, BUT WE ALSO SEE EXCITING POSSIBILITIES IN WEST AFRICA AND THE GULF OF MEXICO.





ALL TEEKAY PETROJARL EMPLOYEES CAN SUBMIT CONFIDENTIAL CONCERNS REGARDING ACCOUNTING, FRAUD OR FINANCIAL AUDITING MATTERS THROUGH THE BUSINESS CONDUCT REPORTING TOOL continued commitment to ethical business practices and regulatory compliance. Acknowledgement of the SBC policy is required annually from all directors and up and for all new employees.

In addition, all Teekay Petrojarl Employees can submit confidential concerns regarding accounting, fraud or financial auditing matters through the Business Conduct Reporting Tool, or by contacting an external operated toll-free hotline.

# JOINT VENTURE WITH ODEBRECHT

In 2013 much focus and effort has been on solidifying our joint venture, Odebrecht Teekay, with our esteemed partner Odebrecht Oil and Gas.

he joint venture was established with the purpose of getting a strong foothold in Brazil, one of the fastest growing oil production regions in the world. A productive relationship between Odebrecht and Teekay Petrojarl is a foundation for sustainable growth in Brazil, which has proven recoverable oil reserves almost as large as the entire North Sea. The joint venture also opens the door to exciting possibilities of the coast of Africa as well as in the Gulf of Mexico.

The joint venture with Odebrecht was established in May 2011 for the FPSO Cidade de Itajaí. The FPSO, a converted tanker, left the shipyard in Singapore in December 2012 and achieved first-oil less than two months after it arrived on field. This is truly a great achievement.

Odebrecht Teekay has offices in Itajai and Rio with approximately 15 people in each. The brand new operational base office in Itajaí became fully operational in January 2013, ready to support Cidade de Itajaí. The joint Venture has been a major success and the FPSO has achieved high and stable production throughout 2013. Teekay Petrojarl looks forward to the coming years in a prosperous joint venture with Odebrecht.

# ACHIEVED FIRST-OIL LESS THAN



AFTER IT ARRIVED ON FIELD. THIS IS TRULY A GREAT ACHIEVEMENT







# **ACTIONS AND RESULTS**





# TARGET NOT ACHIEVED OR Planned actions not complete.

# TARGET NOT ACHIEVED AND PLANNED ACTIONS NOT COMPLETE.

AREA	Planned Actions or Targets 2013	Results 2013		Planned Actions 2014
Climate and environment	Establish and implement fleet wide energy management training	Energy management training and self- assessment tool has been developed and distributed fleet-wide		Embed energy management in TKPJ fleet
Discharges to sea	Maintain frequency of spills to <5,9	A frequency of 3,6 was achieved.		Maintain frequency of spills to <5,0
Safety	Observation technique offshore	A few offshore operations have not finished the training	$\bigcirc$	Establish perfor- mance standards within Emergency Preparedness
Safety	Total Recordable Injury Frequency(TRIF) rate of <3,7	TRIF at 2,40		Total Recordable Injury Frequency(TRIF) rate of <3,5
Safety	HSE High Potential frequency rate <3,0	HSE HiPO frequency rate at 2,40		HSE High Potential frequency rate < 3,0
Society	Carry on with and further develop our work on supporting charities and cultural initiatives	Supported Olavsfestdagene. The social footprints committee continued their work		Carry on with and further develop our work on supporting charities and cultural initiatives
Technical Safety	Increase offshore competence around QRA to prevent major accidents	Training completed and increase of com- petence achieved.		Functional testing of Safety Critical Equipment and reporting to comply with Performance Standards.
Human Resources	Chosen focus area of Emplyee Survey: Communication (including leadership and direction and change management).	Communication continues to be a focus into 2014 as not all goals were reached.	$\bigcirc$	Chosen focus area of Employee Survey: Communication (including leadership and direction and change management).
Health	Improve Noise management.	Short falls in management mapped. Action plan and exposure management system established.		Reduce the number of work-related musculoskeletal disorders in the TKPJ fleet.

# **REPORTING BASIS**

e use the Global Reporting intiative (GRI G4) sustainability reporting Guidelines as a basis for this report. The GRI guidelines are the most commonly used guidelines for sustainability reporting. The tables indicate where you find our response to the

various disclosures and performance indicators requested by the GRI guidelines for Sustainability reporting.

# **CONTACT US**

We would appreciate your comments, feedback or queries on this report. Please get in touch at trd.reception@teekay.com marking the email "Sustainability Report 2013". Visit our website at www.teekay.com

# **COMPLETE KEY FIGURES**

PeopleIntermIntermIntermHealth and safelyIntermIntermIntermIntermTotal recordable injury frequency5.884.584.584.50Lost time injuriesIntermIntermIntermIntermIntermIntermHigh potential incident frequencyIntermInter		2011	2012	2013
Total recordable injury frequency15.874.582.4.0Lost time injuries1.31.40High potential incident frequency3.261.722.4.0Sick leave (%)4.4.53.015.4.4Fatalities0.01.001.00HSE ideas registered9.062.0242.546Synergi reports6.8.4110.7567.192Human Resources1.01.001.00Union membership (per cent of workforce)4.6.215.1/3.967.192Proportion of female employees (%)1.1.51.1.91.2.42Turnover rate % (onshore /offshore)4.4.22.35.1/3.967.8.9Planet1.001.001.001.001.00Total GHG (Green House Gases) emissions (CO2 equivalents, thousand tons)6.798.8.33.2.5Total GHG (Green House Gases) emissions (CO2 equivalents, thousand tons)6.799.0633.6.37Accidental discharges (number of)1.011.011.011.01Oil discharged with produced water (tons)4.949.908.3.33.2.5Total amount of waste produced from Teekay Petrojart FPSOs and tankers (tons)6.649.649.64Profit1.011.011.011.011.011.01Profit1.021.021.011.011.011.01Production (million barrels)0.649.633.641.01Production factor, PUF (vol % of system capacity)9.539.649.01P	People			
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Union membership (per cent of workforce)     66     66     61       Proportion of female employees (%)     11.5     11.5     11.9     12.42       Turnover rate % (onshore / offshore)     4.22.3     5.1/3.96     7.8/9       Employee satisfaction % (onshore / offshore)     97/93     90/83     88/78       Planet     100     100     100     100       Total GHG (Green House Gases) emissions (CO2 equivalents, thousand tons)     66.74     82.7     737.3       Flaring (MSm <sup>3</sup> )     49.4     9.90     86.37       Accidental discharges (number of)     10.4     9.00     86.37       Oil discharged with produced water (tons)     49.8     38.3     32.5       Total amount of waste produced from Teekay Petrojarl FPSOs and tankers (tons)     66.93     66.92       Profit     10.6     10.6     10.6       Production     10.6     10.6     10.6       Combined oil production (million barrels)     26.03     22.00     20.67       Production utilization factor, PUF (vol % of system capacity)     95.3     95.4     91.1       Finance (numbers in thousand US	Synergi reports	6.841	10.756	7192
Proportion of female employees (%)     11.5     11.9     12.42       Turnover rate % (onshore /offshore)     4.2/2.3     5.1/3.96     7.8/9       Employee satisfaction % (onshore / offshore)     97/93     90/83     88/78       Planet     10.1     10.1     10.1     10.1       Total GHG (Green House Gases) emissions (CO2 equivalents, thousand tons)     679.4     8.87     737.3       Flaring (MSm <sup>3</sup> )     49.4     99.0     86.37       Accidental discharges (number of)     10.2     16     7       Oil discharged with produced water (tons)     49.8     38.3     32.5       Total amount of waste produced from Teekay Petrojarl FPSOs and tankers (tons)     669     692       Waste reuse / recycling, offshore (%)     667     69.7     53.11       Profit     10.2     10.2     10.2       Production     10.2     20.0     20.01       Production (million barrels)     26.03     22.00     20.07       Production utilization factor, PUF (vol % of system capacity)     95.3     95.4     91.1       Finance (numbers in thousand US dollars)     US GAAP <td>Human Resources</td> <td></td> <td></td> <td></td>	Human Resources			
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Employee satisfaction % (onshore / offshore)     9793     90/83     88/78       Planet     6794     827     73.3       Total GHG (Green House Gases) emissions (CO2 equivalents, thousand tons)     6794     827     73.3       Flaring (MSm <sup>3</sup> )     49.4     99.0     86.37       Accidental discharges (number of)     149.4     99.0     86.37       Oil discharged with produced water (tons)     49.8     38.3     32.5       Total amount of waste produced from Teekay Petrojarl FPSOs and tankers (tons)     669     692       Waste reuse / recycling, offshore (%)     669     693     692       Profut     167     168     22.00     20.61       Production     168     22.00     20.07       Production utilization factor, PUF (vol % of system capacity)     95.3     95.4     91.1       Finance (numbers in thousand US dollars)     US GAAP     167.9     567.62	Proportion of female employees (%)	11.5	11.9	12.42
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Total GHG (Green House Gases) emissions (CO2 equivalents, thousand tons)     Image: Note of the text of tex of tex of text of tex	Employee satisfaction % (onshore / offshore)	97/93	90/83	88/78
Flaring (MSm³)49.499.086.37Accidental discharges (number of)102167Oil discharged with produced water (tons)49.838.332.5Total amount of waste produced from Teekay Petrojarl FPSOs and tankers (tons)693602Waste reuse / recycling, offshore (%)66766753.11Profit100100010001000Production1000100020.0720.07Production (million barrels)20.0320.0795.395.4Production utilization factor, PUF (vol % of system capacity)105 GAAP10001000Finance (numbers in thousand US dollars)105 GAAP105 GAAP105 GAAPRevenues464.80581.215567.620	Planet			
Name (norm )IndexIndexIndexIndexAccidental discharges (number of)267Oil discharged with produced water (tons)49.838.332.5Total amount of waste produced from Teekay Petrojarl FPSOs and tankers (tons)693660692Waste reuse / recycling, offshore (%)66766753.11ProfitIndexIndexIndexIndexProduction1111Combined oil production (million barrels)26.0322.0020.67Production utilization factor, PUF (vol % of system capacity)95.395.491.1Finance (numbers in thousand US dollars)US GAAP11Revenues464.810581.215567.620	Total GHG (Green House Gases) emissions (CO2 equivalents, thousand tons)	679.4	827	737.3
Oil discharged with produced water (tons)A49.8A49.8A38.3A32.5Total amount of waste produced from Teekay Petrojarl FPSOs and tankers (tons)69366936692Waste reuse / recycling, offshore (%)66766769.753.11Profit6761.761.761.761.7Production10.010.010.020.67Production utilization factor, PUF (vol % of system capacity)95.395.491.1Finance (numbers in thousand US dollars)US GAAP10.010.0Revenues464.80581.215567.620	Flaring (MSm <sup>3</sup> )	49.4	99.0	86.37
Total amount of waste produced from Teekay Petrojarl FPSOs and tankers (tons)693660692Waste reuse / recycling, offshore (%)6769753.11ProfitCombined oil production (million barrels)Combined oil production (million barrels)26.0322.0020.67Production utilization factor, PUF (vol % of system capacity)95.395.491.1Finance (numbers in thousand US dollars)US GAAPV100Revenues464.80581.215567.620	Accidental discharges (number of)	2	6	7
Waste reuse / recycling, offshore (%)6769.7Profit6769.7Production11Combined oil production (million barrels)26.0322.00Production utilization factor, PUF (vol % of system capacity)95.395.4Finance (numbers in thousand US dollars)US GAAP1Revenues464.80581.215567.620	Oil discharged with produced water (tons)	49.8	38.3	32.5
ProfitIndex reactionIndex reactionProductionIndex reactionIndex reactionCombined oil production (million barrels)26.0322.00Production utilization factor, PUF (vol % of system capacity)95.395.4Finance (numbers in thousand US dollars)US GAAPIndex reactionRevenues464.80581.215567.620	Total amount of waste produced from Teekay Petrojarl FPSOs and tankers (tons)	693	650	692
ProductionInitial Initial Initial Combined oil production (million barrels)Initial Second <td>Waste reuse / recycling, offshore (%)</td> <td>67</td> <td>69.7</td> <td>53.11</td>	Waste reuse / recycling, offshore (%)	67	69.7	53.11
Combined oil production (million barrels)26.0322.0020.67Production utilization factor, PUF (vol % of system capacity)95.395.491.1Finance (numbers in thousand US dollars)US GAAPVVRevenues464.810581.215567.620	Profit			
Production utilization factor, PUF (vol % of system capacity)95.395.491.1Finance (numbers in thousand US dollars)US GAAPV464.810581.215567.620Revenues464.810581.215567.620567.620567.620567.620	Production			
Finance (numbers in thousand US dollars)US GAAPRevenues464.810581.215567.620	Combined oil production (million barrels)	26.03	22.00	20.67
Revenues     464.810     581.215     567.620	Production utilization factor, PUF (vol % of system capacity)	95.3	95.4	91.1
	Finance (numbers in thousand US dollars)	US GAAP		
Income (loss) from vessel operations 77.597 46.411 (1.918)	Revenues	464.810	581.215	567.620
	Income (loss) from vessel operations	77.597	46.411	(1.918)
Total assets of operating segments at year end2.527.0952.723.8902.836.998	Total assets of operating segments at year end	2.527.095	2.723.890	2.836.998

# **G4 CONTENT INDEX**

# **GENERAL STANDARD DISCLOSURES**

## Page number (or Link)

Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.

#### **External Assurance**

Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.

# STRATEGY AND ANALYSIS

G4-1

Page 6, Presidents introduction

O R G A N I Z A	TIONAL PROFILE	
G4-3	Page 5, about this report	
G4-4	Page 8, facts and history	
G4-5	Page 8, facts and history	
G4-6	Page 8, facts and history	
G4-7	Page 8, facts and history	
G4-8	Page 8, facts and history	
G4-9	Key figures pp 2, Facts and History pp 8, and Our People pp 16	
G4-10	Page 16, Our People	
G4-11	Page 2, key figures	
G4-12	Page 21, Corporate Social responsibility	
G4-13	Page 16, Our People	
G4-14	Yes, through ENVID and BAT analyses we try to minimize our env.footprint and adhere to the precautionary principle	
G4-15	Teekay Petrojarl Production AS is certified according to ISO9001 and ISO14001. Four of our vessels are also OHSAS 18001 certified. We report ouir GHG emissions and strategies through the CDP	
G4-16	Norwegian Shipowner's Association, Intertanko	

# IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4-17	a. Teekay Petrojarl Production AS, b.Teekay Corporation Annual Financial report	
G4-18	Page 5, about this report	
G4-19	Page 5, about this report	
G4-20	Page 5, About this Report, all aspects are material within the organization	
G4-21	Page 5, About this Report, TKPJ has not indentified any of our aspects to material outside our organisation	
G4-22	No restatements	
G4-23	No significant changes	

STAKEHOL	.DER ENGAGEMENT
G4-24	Page 5, about this report
G4-25	Internal workshops with the goal of identifying key Stakeholders

G4-26	Includes but not limited to Annual Employee survey, Annual costumer survey, Employee
	Performance reviews and internal Town hall meetings

# STAKEHOLDER ENGAGEMENT

#### Page number (or Link)

Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found. **External Assurance** 

Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.

G4-27

This report sums up the main sustainability topics brought up by our stakeholders in 2013. Other methods for responding to stakeholder concerns are through meetings, intranet, as well as other informal and formal communication channels.

REPORT P	REPORT PROFILE		
G4-28	Page 5, about this report		
G4-29	Page 5, about this report		
G4-30	Page 5, about this report		
G4-31	Page 38, contact us		
G4-32	About this report pp 5, G4 Content index pp 39. This report has not been externally assured. We have the the global reporting Initative checking the report.		
G4-33	No external assurance		

G4-34

Teekay Petrojarl is a part of Teekay Corporation. Governance structure and committee charters are available under «Corporate Governance» on our website www.teekay.com

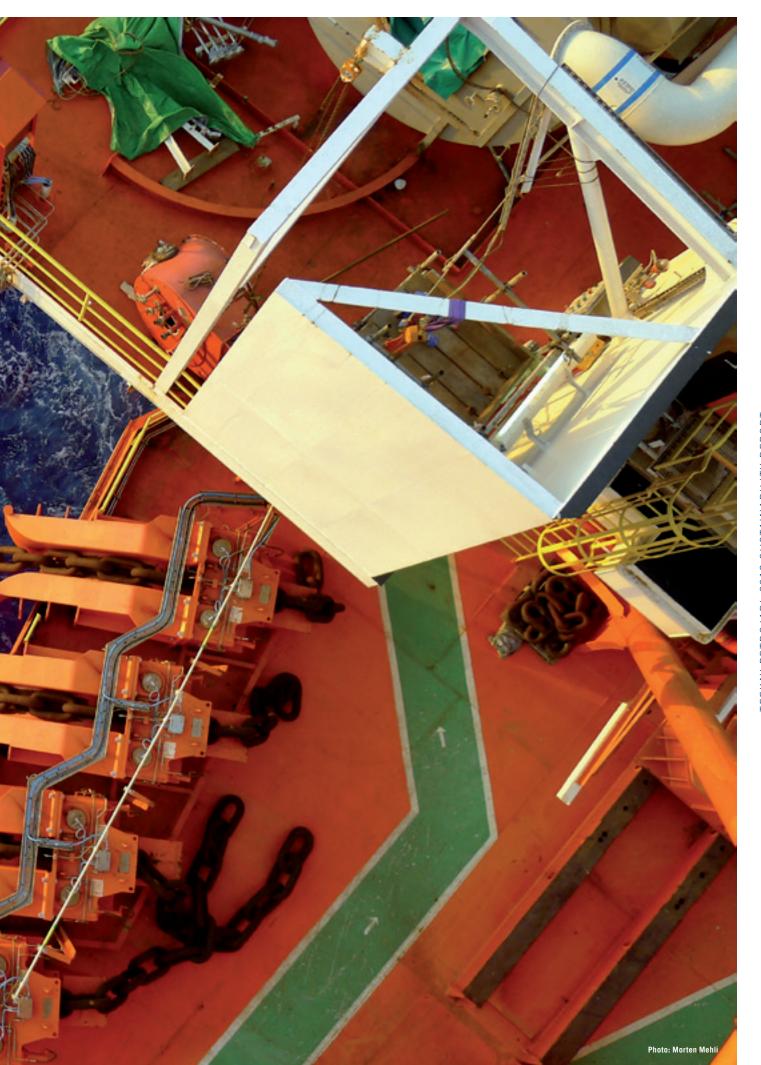
## ETHICS AND INTEGRITY

G4-56

Facts and History pp 8, Teekay Corporation annual Report, Social Footprint committee, Offshore environmental committees.

	Page number	ldentified Omission(s)	Reason(s) for Omission(s)	Explanation(s) for Omission(s)	External assurance
E C O N O M	IC				
MATERIAL	ASPECT: ECONOMIC PERFORMANCE				
G4-DMA	Page 32, Profit				
G4-EC1	Key figures pp 2, Profit pp 32				
G4-EC4	Key figures pp 2, Profit pp 32				
MATERIAL	ASPECT: PROCUREMENT PRACTICES				
G4-EC9	Page 21, Suppliers				
ENVIRON	IMENTAL				
MATERIAL	ASPECT: EMISSION				
G4-DMA	Page 26, Planet				
G4-EN15	Page 26, Planet				
G4-EN17	Page 26, Planet				
G4-EN18	Page 26, Planet				
G4-EN21	Page 26, Planet				
ENVIRON	IMENTAL				
MATERIAL	ASPECT: EFFLUENTS AND WASTE				
G4-DMA	Page 26, Planet				
G4-EN23	Page 26, Planet				
G4-EN24	Page 26, Planet				
MATERIAL	ASPECT: COMPLIANCE				
G4-DMA	Page 26, Planet				
G4-EN29	No monetary sanctions on TKPJ in 2013 or the years before				
SOCIAL:	SOCIETY				
MATERIAL	ASPECT: LOCAL COMMUNITIES				
G4-DMA	Corporate Social Responsibility pp 21				
G4-S01	Avout this report pp 5				
SOCIAL:	LABOR PRACTICES AND DECENT W	O R K			
MATERIAL	ASPECT: OCCUPATIONAL HEALTH AND SAFET	Υ			
G4-DMA	Page 16, Our People				
G4-LA6	Page 16, Our People				
MATERIAL	ASPECT: TRAINING AND EDUCATION				
G4-DMA	Page 16, Our People				
G5-LA9	Page 16, Our People				
G4-LA11	100% of employees, regardless of gender received a performance review and career development review in				

A SUSTAINABLE BUSINESS CONDUCT WILL KEEP TEEKAY PETROJARE OMPETITIVE WELL INTO THE FUTURE



# BRINGING ENERGY TO THE WORLD WITH TEEKAY SPIRIT

