

# 2012

## SUSTAINABILITY REPORT



TEEKAY PETROJARL

# KEY FIGURES

PEOPLE	2010	2011	2012
<b>Health and safety</b>			
Total recordable injury frequency <sup>1</sup>	3.84	5.87	4.58
Lost time injuries	2	3	4
High potential incident frequency <sup>2</sup>	3.84	3.26	1.72
Sick leave (%)	3.42	4.25	3.01
Fatalities	0	0	0
HSE ideas registered <sup>3</sup>	865	963	2024
Synergi reports <sup>4</sup>	6,740	6,841	10,756
<b>Human Resources</b>			
Union membership (per cent of workforce) <sup>5</sup>	66	60	60
Proportion of female employees (%)	11	11.5	11.9
Turnover rate % (onshore / offshore)	0/3.5	4.2/2.3	5.1/3.96
Employee satisfaction % (onshore / offshore) <sup>6</sup>	93/87	97/93	90/83
<b>Planet</b>			
Total GHG (Green House Gases) emissions (CO <sub>2</sub> equivalents, thousand tons)	680.9	679.4	827.0
Flaring (MSm <sup>3</sup> )	46.4	49.4	99.0
Accidental discharges (number of) <sup>7</sup>	3	2	6
Oil discharged with produced water (tons)	89.7	49.8	38.3
Total amount of waste produced from Teekay Petrojarl FPSOs and tankers (tons)	650	693	650
Waste reuse / recycling, offshore (%)	70	67	69.7
<b>Profit</b>			
<b>Production</b>			
Combined oil production (million barrels)	25.78	26.03	22.00
Production utilization factor, PUF (vol % of system capacity)	94.8	95.3	95.4
<b>Finance (numbers in thousand US dollars)<sup>8</sup></b>			
Revenues	463,931	464,810	581,215
Income from vessel operations	116,150	77,597	46,411
Total assets of operating segments at year end	1,185,017	2,527,095	2,723,890

<sup>1</sup> Lost time injuries plus medical treatment injuries per million man hours worked

<sup>2</sup> Reported high potential incidents per million man hours worked

<sup>3</sup> HSE ideas = all health, safety, environment and security ideas, including performance improvement ideas and positive observation reports.

Increase mainly due to a campaign on one of the vessels

<sup>4</sup> Synergi reports = total number of cases registered in our HSEQ reporting tool Synergi, including incidents, audits, meetings, reviews, ideas, non-conformities, reports of positive events etc.

<sup>5</sup> Exact numbers not available. Estimate only

<sup>6</sup> From Employee Survey

<sup>7</sup> Authority reportable oil and chemical spills. See page 20 for more details.

<sup>8</sup> For further details see the segment reporting part of the financial statements from Teekay Corporation. These can be found on [www.teekay.com](http://www.teekay.com).





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# ABOUT THIS REPORT

You are now reading Teekay Petrojarl's 2012 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. This report describes our impacts on and approach to sustainability and associated challenges and opportunities.

At Teekay Petrojarl, we strive to take people, planet and profit into consideration in all of our decisions and actions. Sustainability is a core value in Teekay which aims to ensure the long-term health and success of our people, our business and the surroundings 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 important sustainability 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.

These internally identified focus areas also guide our sustainability reporting, together with external guidance such as the guidelines from the Global Reporting Initiative, IPIECA's Oil and gas industry guidance on voluntary sustainability reporting and AccountAbility's Materiality Report.

Our report covers all of Teekay Petrojarl's activities in 2012, both onshore and offshore. The report includes all Teekay Petrojarl entities in 2012 both offshore and onshore except Hummingbird Spirit which is not operated by Teekay Petrojarl.

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](mailto:trd.reception@teekay.com), marking the e-mail "Sustainability Report 2012".



## TRIPLE BOTTOM LINE IN TEEKAY PETROJARL

### PEOPLE

- › Our people
- › Safety
- › Health & working environment
- › Corporate Social responsibility

### PLANET

- › Environment
- › Emissions to air
- › Discharges to sea
- › Waste Management

### PROFIT

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









# PRESIDENT'S INTRODUCTION



Welcome to Teekay Petrojarl's 2012 sustainability report. At Teekay Petrojarl we believe that our long-term operational and commercial success is closely linked to our ability to effectively manage sustain-

ability. With this as a backdrop, 2012 was in many ways a challenging, yet exciting, year for us.

Health, Safety and the Environment are always our number one priority. Although we in general have great results in this area, we were not able to meet all our targets in 2012. Unfortunately we missed our goal on personnel injuries despite improvement from 2011. On the positive side, we were better than target on incidents with high potential so in aggregate our safety performance has not been bad in 2012. But again – safety is our number one priority and there is always room for improvement.

Our operations are another key area for us and it was a great achievement that we exceeded our targets for 2012 with a Production Utilization Factor (PUF) of 95.4 % against a target of 94.5 %. On the project execution and business development side, 2012 was again a busy year with a mix of bad and good news. For both the Voyageur Spirit and FPSO Cidade de Itajaí projects, we missed the planned start-up dates for 2012, but both projects were also very challenging. At the same time, our project and operations teams did a very good job in minimizing the impact and today we emerge as the satisfied owners of two more world class FPSOs. Beyond that, the organisation has learned a lot and we are well positioned for future projects for which we are already bidding.

In order to cope with our growth and the organizational flexibility needed, our personnel are key to success. We want to be the company of choice for our employees, demonstrated through low turnover and high employee satisfaction. I am happy to see that we have managed to grow substantially in

terms of number of personnel, while at the same time having limited turnover on staff as well as seeing stable employee satisfaction rates.

Looking at 2013, our main challenges and targets are first and foremost to improve our safety KPIs (Key Performance Indicator). Furthermore, we will work to develop our organizational efficiency to strengthen and grow our operations. We aim at retaining our good operational track record, while securing new contracts and executing projects in a reliable and professional manner. This is in line with our long-term goals, being that Teekay Petrojarl wants to be recognised as a major quality player, a top project executor, an efficient organisation and a reliable technology provider.

In the years to come, Teekay Petrojarl will continue to be committed to sustainable performance. We aim to be a responsible corporate citizen, planning for long-term benefits for our employees, our customers, the environment and the society at large. With this setting, I am certain we will continue to see challenging, yet exciting years ahead for Teekay Petrojarl.

A handwritten signature in black ink, appearing to read 'Peter Lytzen'.

Peter Lytzen  
President & CEO

# FACTS AND HISTORY

Teekay Petrojarl is the largest operator of Floating Production, Storage and Offloading (FPSO) vessels in the North Sea. With a combined production capability of close to 500,000 barrels of oil per day and a crude storage capacity of more than 2.5 million barrels, we have a long, proven track record in safely operating FPSO vessels in one of the harshest marine environments in the world.

Teekay Petrojarl currently owns and operates nine FPSOs – two on the Norwegian Continental Shelf, four on the UK Continental Shelf and three offshore Brazil of which one is jointly owned with Odebrecht Oil & Gas. The tenth FPSO is under construction in Geoje, Korea and is planned to start up operations offshore western Norway at the beginning of 2014.

All production units are under contracts producing for oil and gas companies. Our operating fleet also includes two shuttle tankers and one storage tanker. This year, we sold our 40% ownership in the FPSO Ikdam, operating offshore Tunisia.

With our head office in Trondheim, Norway and operations offices in Norway, Scotland and Brazil, our more than 1000 employees offshore and onshore are professionals with a unique blend of operational and engineering expertise.



**Petrojarl Banff**  
(CNR)



**Voyageur Spirit**  
(E.ON)



**Hummingbird Spirit**  
(Centrica)







## TEEKAY CORPORATION

Teekay 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 ten-fold in assets, created four publicly traded companies, established numerous joint ventures and built an enviable reputation and brand for operational excellence.

We remain committed to the highest level of health, safety, environment and quality (HSEQ), maximizing the return on invested capital (ROIC) 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".

## OUR VISION AND VALUES

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 that we have done and will do.



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# TEEKAY PETROJARL'S 2012 IN BRIEF

## FEBRUARY

In February the BG Knarr project development team was awarded the Project Developer of 2011 "Gullkronen" (Gold Crown) prize. The chosen FPSO model for the project, Petrojarl Knarr, is currently under construction in Korea. "Gullkronen" is the composite name for several annual awards to companies, teams or people who have shown outstanding achievements on the Norwegian Continental Shelf (NCS) during the course of the previous year. The jury consists of industry and Rystad Energy representatives.

Among others, the jury said that "the winner of the Project Developer Award has significantly matured their project during 2010/2011 and received PDO approval during 2011. The jury is impressed with the operator's ability to prioritise bringing the resources quickly towards production, and stands out with exceptional lead time (...). The operator has ambitions to establish a new hub in the Tampen area, something their flexible FPSO rental model will allow for."

## MARCH

On 10 March 2012, M/T Petroatlantic reached nine years without any Lost Time Incidents (LTI). Congratulations to all crew members and officers for their efforts in keeping safety a top priority!



## MAY

The Social Footprints Committee held its annual meeting in May, undertaking the democratic draw for financial support to sports or cultural activities in which Teekay Petrojarl employees or their children are involved.

There were many internal applications and the NOK 100 000 earmarked for allocation to this part of the Social Footprints funds was divided between the 10 lucky winners of the draw. As regards Teekay Petrojarl contribution to charity, the Social Footprints Committee has also arrived at a unanimous decision to support the worldwide charity organization, CARE, in the amount of NOK 100 000 in 2012. These funds are contributing to supporting projects in Afghanistan and Mali.

## JUNE

Hydraulic Technician Jan Jensen was in June awarded Talisman's Quarterly HSE Award. Jan started in Teekay Petrojarl back in 1996 and came to Petrojarl Varg in 2000. He has been a Safety Delegate on Petrojarl Varg for the last six years and has done a great job for the safety and welfare on board.



Jan received the award for his work to reduce gas leaks on the Varg Field, an activity that has given results in the form of reduced number and size of gas leaks over a period of many years.

After the mooring failure incident with the Petrojarl Banff FPSO on 8 December 2011 and the subsequent damage to subsea equipment, the vessel was towed to the Orkney Islands and into sheltered waters at Scapa Flow.

The Banff Reinstatement Project was established in June to bring the Petrojarl Banff and the Banff Field into normal operations as soon as possible. The project includes repair and replacement of key subsea components, mooring system and an FPSO shipyard stay. The FPSO arrived at the Blohm & Voss Shipyard in Hamburg in September and the dry-dock stay was estimated to start March 2013. The target is to be back in production by Q3-Q4, 2013.

JANUARY

FEBRUARY

MARCH

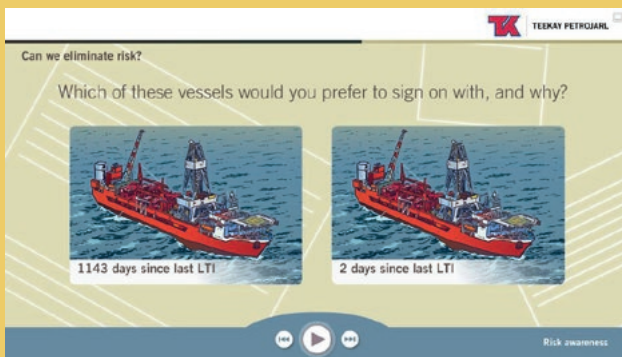
APRIL

MAY

JUNE

## JULY

In July, we rolled out our 2012 Safety Campaign Risk Awareness & Finger Injuries. No one should be injured when working for Teekay Petrojarl – and with a clear aim of zero injuries, we need everyone on board to be actively involved and committed to achieving this goal. The aim of the 2012 safety campaign was to create a better understanding of how we can reduce risks for everyone on board – our own staff, subcontractors, new arrivals and visitors.



## SEPTEMBER

An important milestone in the Petrojarl Knarr project took place on 12 September at the Samsung Heavy Industries Shipyard in Geoje. The Knarr FPSO was sea-launched at 0600 hours, in accordance with the agreed shipyard schedule. Petrojarl Knarr was then placed along quayside where she will remain for the subsequent work phases. This exciting float-out event was witnessed by a number of Teekay Petrojarl and BG staff.



In September Teekay Petrojarl sold its 40% share in the FPSO Ikdam. We have since 2006 had an ownership interest in the FPSO Ikdam through the 40% ownership of the Ikdam Production Company.

The FPSO Ikdam has been operating on the Oudna Field since November 2006 and completed its contract with Lundin Petroleum on the Oudna Field in the Gulf of Hammamet, 80 km northeast of Tunisia, on 31 August 2012. Lundin was during the contract period responsible for the operation of the Oudna Field.

## OCTOBER

In October, it was decided that the era of Petrojarl I at the Glitne Field will end. When Glitne was put into production in 2001, Statoil envisaged that the field would produce for 26 months. Twelve years later the last drops of oil are now being produced and the decision has been made to close the field.

Petrojarl I has been serving Statoil at the Glitne Field since August 2001. With a daily production rate at its peak of 40,000 barrels, the field has produced for almost 12 years, more than four times longer than initially planned. This is largely thanks to the inventiveness and resourcefulness of the teams working for both Statoil and Teekay Petrojarl who have exploited every last resource from this field.

However, as the last well that Statoil drilled in 2012 was found not to be commercially viable, Teekay Petrojarl has now received notice to terminate the contract and Petrojarl I have ceased production in May 2013.

In October we were also pleased to announce that Teekay Petrojarl had agreed on an extension of the contract with Centrica Energy for production of the Chestnut Field using the Hummingbird Spirit.

The contract was, after its final option, set to expire 31 March 2013; however, Centrica Energy had expressed an interest in continued use of the Hummingbird Spirit in order to maximise recovery from the field as much as possible. For over six months, we had been in negotiations with Centrica Energy, before we executed an agreement containing exercisable extension periods which can take us to the end of March 2015.

Voyageur Spirit sailed away in beautiful fall weather from Arendal's Eydehavn Wharf at the Nymo Shipyard early Sunday morning, 30 September 2012, bound for the UK Continental Shelf's Huntington Field.

The FPSO arrived at the field on 4 October 2012 and the trip went smoothly and safely. Voyageur Spirit would then be readied for start-up of oil production. First oil from the Huntington Field was produced by the Voyageur Spirit on Saturday 13 April.



## OCTOBER

## NOVEMBER

## DECEMBER



In October we were proud to announce that Teekay Petrojarl's ISO 9001:2008 certification has been extended to include the Project Execution phase. An audit was performed by Dovre at the Knarr Project Site in Geogje, Korea on 16 and 17 October 2012. The scope of the audit was to verify that the established Project Management Plan was in compliance with the ISO 9001:2008 requirements and implemented in the project organization. The Project Team passed the audit with flying colors with no major non-conformities and five minor non-conformities, which are now closed. The Auditor also praised the Knarr project team for its openness in communication and dedication to continuous improvement of the system.

### NOVEMBER

The OOG TK Joint Venture was pleased to confirm that the FPSO Cidade de Itajaí left Singapore at 05:00 local time on 12 November, following the successful completion of sea trials. The vessel left Singapore heading for the coast off Brazil, where it will be operated by the new joint venture between Teekay Petrojarl and Odebrecht Oil and Gas. First oil achieved in February 2013.



On 19 November M/T Petronordic passed the impressive milestone of ten years without any Lost Time Incidents (LTI). This is an excellent performance by all officers and crew working on board this very tidy and clean lady operating in the harsh weather West of Shetland.



In the period from June to November 2012, Petrojarl Varg won the monthly reward for best initiative for preventing falling objects no less than five times. The monthly reward is an initiative in a long-lasting campaign in Talisman Energy Norway called STOP DROP Campaign. This is impressive and shows the good spirit on board Petrojarl Varg and Varg A with regard to preventing hazards caused by falling objects.



The prizes are won for outstanding work with planning, documenting and experience transfer of critical lifting operations, for good attitudes towards identifying/finding dropped objects and for exceptional leadership in the field with managing safety and risk during lifting/skidding operations.

### DECEMBER

In December, Teekay Petrojarl renewed its global Emergency Response and Crisis Support Agreement with The Norwegian Seamen's Church ("Sjømannskirken"). This agreement allows access to the Church's network and expertise in crisis support and for a proactive corporation to strengthen the company's work with emergency preparedness.

# PEOPLE



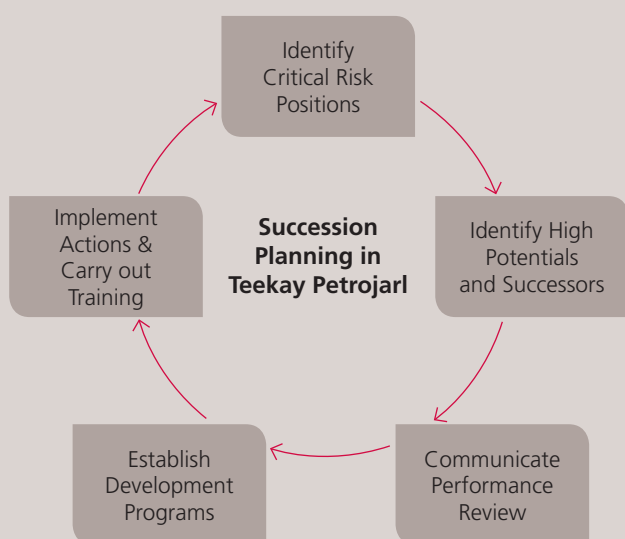
At the end of 2012, Teekay Petrojarl had 974 permanent employees located in different parts of the world, with offices in Norway, Scotland and Brazil as well as project offices in Singapore and South Korea. In addition, we had over 100 contractors and consultants, plus part-time employees, working for us in 2012.

The well-being of our personnel is essential to maintain our growth and our operational track record. In this section, we elaborate on the people in our organisation; how we work to ensure maintaining people's health and safety, welfare for employees and on how we give something back to the communities in which we have set up offices or operate FPSOs.

## OUR PEOPLE

### What are the challenges?

In an industry based on knowledge and experience, good people are our the key to our success. Our main challenge in 2012 was dealing with organisational changes, as several



To enable our growth ambitions, a systematic and well run approach to career development and succession planning has been given priority and focus over the last years. A significant number of employees/colleagues have entered in to new roles, either in operations or in projects.

projects affected changes in demand for resources and the number of employees increased by 26 % from 2011 to 2012, due to organisational growth.

2012 was a year with many demanding processes where the flexibility of the organisation was crucial. The Banff re-instatement project, the manning of Voyageur Spirit and Petrojarl Knarr, the Sevan integration, the sail-away of FPSO Cidade de Itajaí from Singapore and the subsequent closing of our Singapore office and the start-up of the Joint Venture with Odebrecht in Brazil, as well as the preparation for decommissioning of Petrojarl I all contributed to organisational changes to be dealt with to ensure the continued sustainability of the Teekay Petrojarl organisation.

### What are we doing and what have we achieved?

#### Recruitment and Growth

One of our goals to ensure we deal with the growth rate of the company is to manage recruitment processes for new projects and existing vessels, while at the same time keeping our employee attrition low. We are satisfied to see that 2012 showed a limited turnover of staff offshore (3.96 % against a target of 4 %). Our onshore turnover was slightly higher than our target, ending on a turnover rate of 5.1 %. We recruited a total of 123 people onshore and 293 people offshore (including internal rotation) in 2012.

To keep up with the growth of the company, we continue to aim at creating flexibility in the organisation. Rotation is in our opinion a good tool to develop our staff and achieve flexibility within the organisation, and over 50 persons were in 2012 given new opportunities internally on new projects and on existing units.

One of the main tools for assessing our employees' satisfaction with working for Teekay Petrojarl is the Teekay Global Employee Survey. It creates a valuable input on how we do as an employer, and gives us feedback on areas of improvement. The aim is that as many as possible participate in this impor-





tant exercise, with the participation goal set at > 90 % onshore and > 80 % offshore. This goal was met, with a participation rate of 96 % onshore, and 83 % offshore. The results from the survey are closely followed up. All units/departments choose one focus area and make an action plan for follow-up.

### Training and Development

Continuous training and development of our staff is important to ensure we at all times are up to date with operational procedures, technical equipment, legal requirements and internal requirements. Our procedures and system for training and development ensures that knowledge and training is continuously kept up to date.

Our employees spent at total of 7773 days training in 2012, an increase of 63 % from 2011. This is mainly due to the growth in the organisation. In addition, we had an extra focus on increasing the competence in the organization and expanded the capacity in the training department.

### Diversity

The percentage of female employees in the company is relatively stable (3.6 % offshore and 37 % onshore). This represents a slight increase in the total female presence in the company from 11.5 % in 2011 to 11.9 % in 2012.

Our workforce still consists mainly of Norwegians (down from 57 % in 2011 to 46 % in 2012), but we see an increasing presence of employees from Brazil (23.6 %), UK (25.7 %) and ten other nationalities (4.7 %). We have a conscious approach toward hiring local employees. At the same time, we use existing personnel from our fleet and offices in order to ensure valuable experience transfer.

## SAFETY

### What are the challenges?

Ensuring the health and safety of our people is our number one licence to operate, and our core values state that we always

put safety first. In Teekay Petrojarl, HSE management is an integrated part of our management system and transcends organisational boundaries. We focus our work around three key areas:

- Operational Safety
- Technical Safety
- Project Safety

### What are we doing and what have we achieved?

The safety of our people on FPSOs, shuttle tankers and in offices around the world is a top priority and our objective is zero harm to personnel, environment and equipment. Extensive procedures and tools, as well as training and continuous improvement activities, are in place to support and improve our safety performance. There are annual activities like safety campaigns, gathering of safety representatives and HSE seminars for all vessels. Proactive HSE reporting is also an important part of our culture. People are encouraged to report not only incidents and hazardous conditions, but ideas and suggestions for improvements as well.

Our safety performance is on a good, stable level for most indicators. In 2012 we did, however, have four lost time injuries and three high potential incidents. All these incidents were investigated in order to capture learning which might prevent similar incidents from happening in the future.

Each year we have an HSE seminar with representatives from all vessels, operators and licence holders, defining HSE targets for the next year on company level. After the Macondo accident, the safety targets have been focused on reducing risk of major accidents. The last two years we have addressed high potential accidents by conducting campaigns on barrier thinking and risk awareness. After each campaign, we have seen that the annual frequency of high potential incidents has been reduced.

In 2012, there were 2024 HSE ideas registered via Safe Cards, compare to 963 in 2011. This large increase is mainly due to the growth of our fleet and a campaign on one of our vessels.

## NUMBER OF INJURIES IN THE FLEET

### Definition

Number of Medical Treatment Injuries (MTI) - personnel injuries requiring medical treatment and Lost Time Injuries (LTI) - personnel injuries where the person was not able to work the following day - in the fleet. Not counting leisure time injury on board.

### Trends Explained

We experienced too many personnel injuries in 2012. A total recordable injury frequency of 4.6 is a reduction of 22 % from 2011, but still too high. While we saw a reduction of MTIs from 6 to 4, there has been an unfortunate increase in LTIs from 3 to 4. While hand and finger injuries dominated the accident statistics in 2011, we see no similar common trend in 2012.

The first of the two most serious injuries we had in 2012 was a person exposed to hot water from a steam line undergoing service. He got 2<sup>nd</sup> degree burns on his feet. The other was a person sustaining injury to his leg caused by a high pressure washer jet during cleaning. He received medical treatment and was away from work for one day.

## NUMBER OF HIGH POTENTIAL INCIDENTS IN THE FLEET

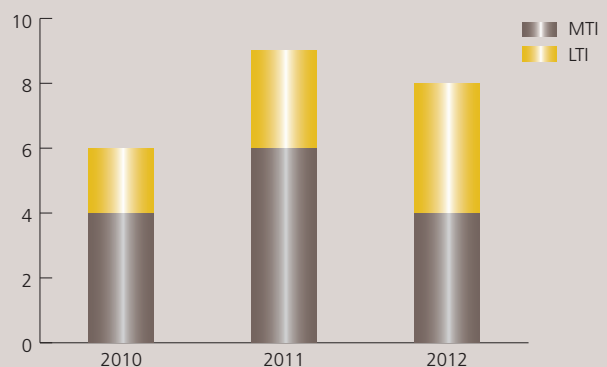
### Definition

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

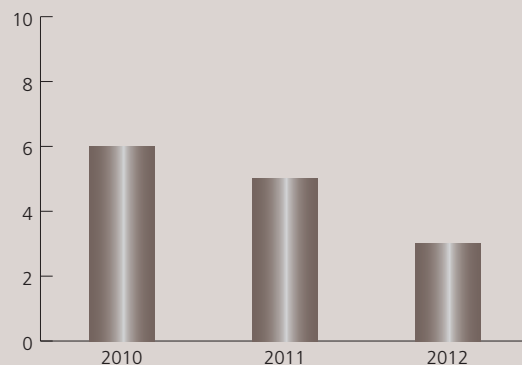
### Trends Explained

We see a continued decrease in the number of high potential incidents in the fleet. In 2012 we experienced three high potential incidents. The most serious incidents in 2012 were the two personnel injuries mentioned above.

Total number of injuries



High potential incidents



Emergency preparedness is also an essential part of our HSE culture. Our offshore crews participate in regular drills to test and improve emergency response plans and capabilities. Ashore, our emergency response teams take part in routine internal and external preparedness exercises. Ashore, we always have personnel on 24/7 duty on all our locations, and these emergency response teams take part in routine internal and external preparedness exercises. Response personnel are supported by well-equipped emergency response centers.

With regard to technical safety, Teekay Petrojarl strives to ensure design and maintenance which safeguard our people,

the environment and the integrity of our vessels. This includes setting HSE standards and acceptable risk criteria in design, as well as managing risks of major accidents. Also, our barrier management system aims to ensure that safety-critical elements and barriers are identified, tested and maintained. One of our main technical safety focus areas in 2012 was the barrier project, a new system designed to continuously monitor technical operational and organisational barriers to prevent accidents.

HSE management is an integral part of our project management when executing projects. A specific project HSE plan is



developed for each site during the construction phase. In 2012 we had three projects in this phase, the Knarr project in South Korea, the FPSO Cidade de Itajai project in Singapore, and the Banff Re-instatement Project in Germany. We aim to influence the HSE standards in the shipyard by working with the shipyard personnel in developing the project HSSE Plan, by encouraging HSE reporting and by site audits that are continuously carried out throughout the project.

We have had no high potential personnel injuries in our projects in 2012.

## HEALTH AND WORKING ENVIRONMENT

### What are the challenges?

In the offshore industry it is a continuous challenge to ensure a working environment without exposure to factors which may have an effect on our health, including the risk of work-related diseases and accidents. This may cause personal and economic consequences for the individual employee, the employee's family and friends, colleagues and employer. We therefore strive towards a full overview of the risks involved and the groups at risk, and to utilize this knowledge to take appropriate proactive, active and reactive measures.

The main health risks defined and identified in Teekay Petrojarl are noise, chemical exposure, and heavy and repetitive manual work (ergonomics).

### What are we doing and what have we achieved?

We believe that a healthy workplace, safe work environment and satisfied employees contribute to a robust workplace which attracts good employees. In Teekay Petrojarl it is the responsibility of management to provide a healthy working environment for our employees. We also emphasize the importance of all staff participating in improving and developing their own workplace, helping to determine the best measures for improvement.

Working risks are continuously identified and analysed, and mitigating actions are determined. We have identified the main groups at risk as personnel undertaking surface treatment, mechanics, process work and scaffolding. Risk mitigation measures are selected based on priorities and results of risk assessments, and followed up and evaluated for effect and whether any further action is needed. The use of correct personal protective equipment has continuous focus and applies when hazardous exposure cannot be avoided, and correct use of proper protective equipment is critical to achieve adequate protection. An important preventive health measure for groups at risk is the systematic and targeted health surveillance to identify any work-related negative health effects.

In 2011 we started to develop and implement a joint system for chemical management called Chess and Chemirisk. In 2012 the work with the implementation has continued.

Teekay Petrojarl aims to provide a healthy workplace through facilitating, encouraging and providing a range of activities both onshore and offshore which contribute to employees taking care of their own health. On all our vessels the training facilities are frequently used by many, and in the mess room the focus is on healthy options.



From the Teekay Petrojarl Health Day in December 2012: The crew on-board M/T Petronordic carried out a "Walkathon". 19 crew members walked a total distance of 47.5 kms.

## SICK LEAVE IN TEEKAY PETROJARL

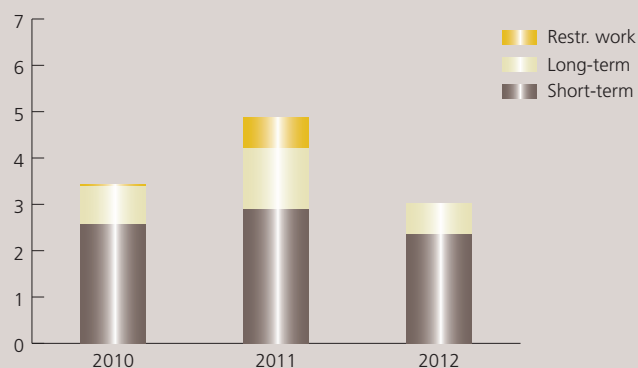
### Definition

Short-term, long-term and restricted work. Long term = 6 weeks of sick leave For FPSOs and main office.

### Trends Explained

We see a significant decrease of long-term sick leave in the company from 2011 to 2012. This is mainly due to decrease in sick leave onboard our FPSO fleet. The FPSO fleet has reduced the total sick leave by as much as 27,5 %, from 5,1 % to 3,7 %.

Sick leave in Teekay Petrojarl



## CORPORATE SOCIAL RESPONSIBILITY (CSR)

### What are the challenges?

In Teekay Petrojarl we acknowledge that our business doesn't exist in isolation, nor is it simply a way of making money. We operate in different parts of the world where our employees, our customers, suppliers and the local community will be affected by our operations and activities and depend on us being a responsible, long term oriented company.

### 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 local and international laws and codes of conduct.

#### Suppliers

We strive to use suppliers local to our countries of operations. In our industry we tend to work with a wide range of suppliers, of everything ranging from chemicals, to catering services, valves, through to major projects such as the Petrojarl Knarr project in South Korea. Excluding our conversion or newbuilding projects, we purchased goods and services for over 2 billion NOK in 2012. Of these, purchases in Norway accounted for

approximately 390 MNOK (96% local content), UK for over 1.5 billion NOK (54% local content) and Brazil for over 128 MNOK (52% local content).

Our conversion and newbuilding projects accounted for almost 4 billion NOK of purchases in 2012.

### Community Investments

Community investment focuses on how we manage our activities in the community and create a positive impact for both the community and the business. Being part of a community gives options and possibilities to invest locally, in employees, in goods, in training, and to take part in community programs. This is something Teekay Petrojarl has integrated into our business. Our community investments are split into three main categories - campaign awards and local donations, donations and community programs, and cultural initiatives or events. For more information on our community investments in 2012, see page 11 on this year's Social Footprints Committee recipients.

We are also proud to have project and offshore crew which on their own initiatives collect and donate funds to charitable causes. Among the highlights in 2012 were our FPSO Cidade de Itajaí project employees who donated funds to an orphanage in Vietnam, and the Petrojarl Varg crew donating funds to children at Radiumhospitalet, the cancer hospital in Oslo.

# PLANET

Teekay Petrojarl operates in some of the harshest and most challenging climates on earth. We also work in an industry with significant effects on the natural environment. We therefore have a responsibility to constantly focus on the environmental effects of our daily operations and to avoid accidents that might have consequences for the environment, for people and equipment.

Teekay Petrojarl's environmental vision is no damage to the environment, which in practical terms means working actively to minimise any negative influence our work has on the environment. Our goal is to make environmental responsibility an integral part of all our tasks and activities.

Our commitment to environmental responsibility is integrated in our systems and procedures, and all of our vessels as well as our main office are ISO14001 certified.

This chapter explores our environmental performance in 2012.

## ENVIRONMENT

### What are the challenges?

On behalf of our operating companies we produce energy for consumption and work to meet the increasing energy demand of the world market. At the same time, the aim is to continuously improve our environmental performance.

In general we are satisfied with the awareness throughout our fleet with regard to operating in a manner that impacts on the environment as little as possible; however, we see challenges related to operating in mature fields requiring more energy input to sustain oil production. This will necessarily have an impact on our environmental results.

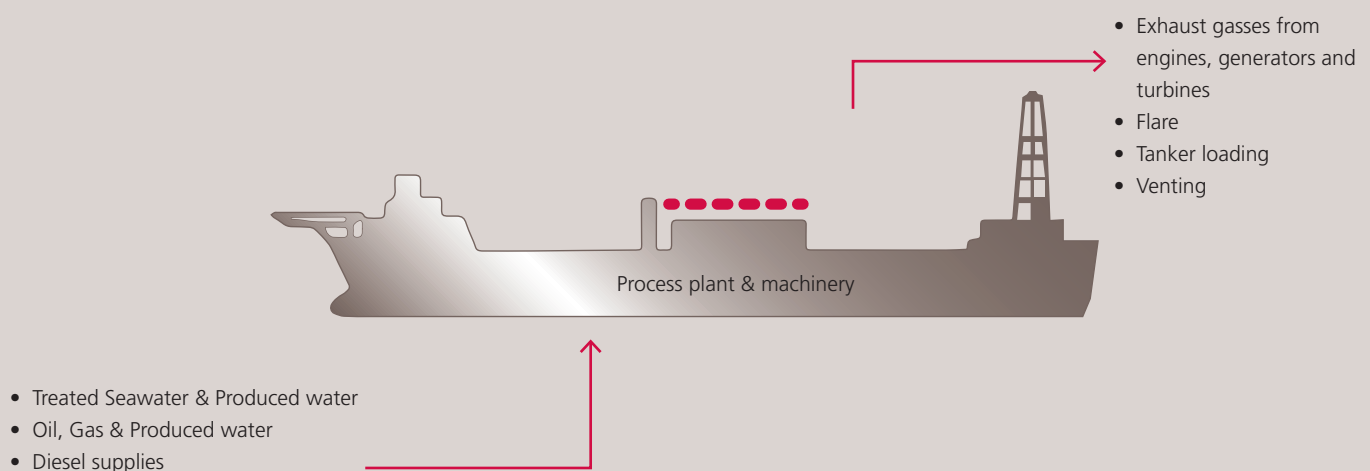
### What are we doing and what have we achieved?

In 2012 we started an initiative on energy efficiency management in our fleet. All our vessels in operation have been mapped for energy flows, and improvement areas have been identified. We have also developed a Teekay Petrojarl climate policy, setting the framework for our efforts in this area in the years to come.

We also analysed all our accidental spills to sea over the last three years, resulting in a presentation summing up spill trends in the Teekay Petrojarl fleet, and providing practical tips on what to pay attention to in order to avoid accidental spills of oil or chemicals to sea.

Some of the main achievements in 2012 were significant improvements in the discharges to sea (both through regular production discharges and accidental spills) and waste production and segregation. We still see a negative trend in emissions to air, both in general terms and in specific emissions (emissions per liquids treated (FPSOs)/tonne miles sailed (tankers). These trends are monitored continuously and will still be focus of attention through our energy management initiative.

ENERGY FLOW ON BOARD A FPSO





## DISCHARGES TO SEA

### PRODUCED WATER OIL CONTENT (OiW)

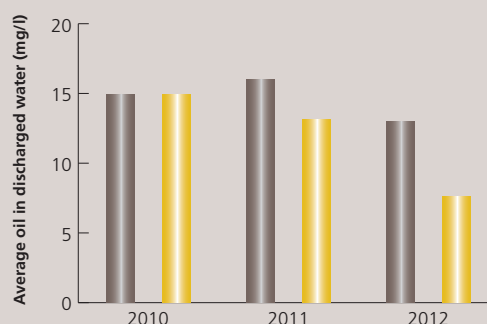
#### Definition

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

#### Trends Explained

The average oil in produced water content has been reduced by 23 % from 2011 to 2012 when using the average figure from the FPSOs with overboard discharge of produced water. When using the average figure for all FPSOs, we see a 42% reduction. This is because neither Petrojarl Cidade de Rio das Ostras nor Piranema Spirit had overboard discharges of produced water in 2012.

Produced water oil content (OiW)



### TOTAL OIL TO WATER

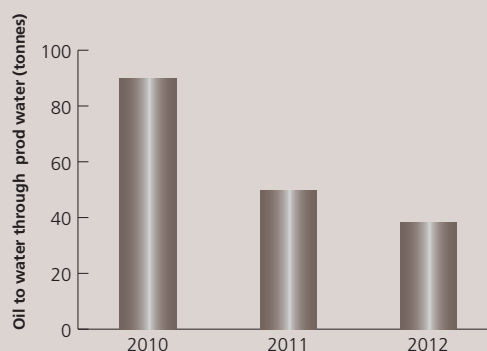
#### Definition

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

#### Trends Explained

We see a continued improvement in the volume of oil to sea through produced water. The 44% reduction from 2011 to 2012 is mainly due to increased re-injection of produced water on Petrojarl Foinaven.

Total Oil to Water



### ACCIDENTAL SPILLS

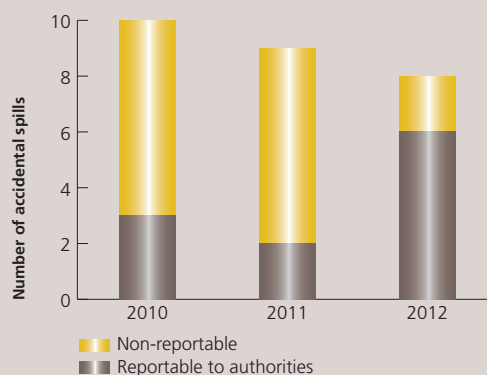
#### Definition

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

#### Trends Explained

The number of accidental spills has gone down from nine in 2011 to eight in 2012. A majority of the spills were reportable to authorities. All the spills in 2012 were minor. A total of 1087 litres of chemicals and 618 litres of oil were spilled to sea. This is a total volume decrease of 87% compared to 2011.

Accidental Spills



## EMISSIONS TO AIR

### GREENHOUSE GAS EMISSIONS (GHG)

#### Definition

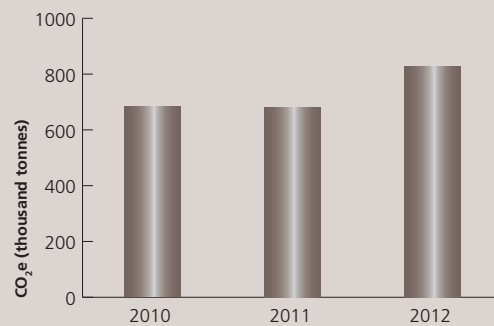
Greenhouse gas emissions (CO<sub>2</sub>, CH<sub>4</sub> and nmVOC) in CO<sub>2</sub> equivalents from TKPJ operations (FPSOs and tankers) in thousand tonnes.

#### Trends Explained

The total GHG from our vessels has increased by 22 %, from 679 422 tonnes in 2011 to 826,996 tonnes in 2012.

This is mainly due to flaring from Petrojarl Cidade de Rio das Ostras and reflecting that this vessel was in operation for the entire 2012 (while only half of 2011). Its emissions increased by 227 % from 2011 to 2012. Of the other vessels, all but Petrojarl Varg saw a decrease in the GHG emissions from 2011 to 2012.

### Greenhouse gas emissions (GHG)



### SPECIFIC GHG EMISSIONS

#### Definition

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

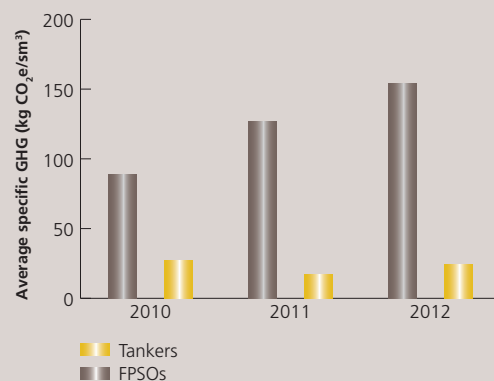
For our tankers, the specific GHG emissions equals kg CO<sub>2</sub> equivalents per m<sup>3</sup> of oil transported.

#### Trends Explained

For our FPSOs, we see an increase (5 %) in average specific GHG emissions in the fleet (CO<sub>2</sub> equivalents per liquids treated), i.e. a negative trend from 2011 to 2012. The main contributor to this is the inclusion of Piranema Spirit in the fleet portfolio, and the fact that neither Petrojarl Cidade de Rio das Ostras or Piranema Spirit has produced water.

We also see a negative trend for the tankers (40 % increase from 2011 to 2012). The lower production volume on the Foinaven field affects the energy efficiency for the tankers and is the main reason for the negative trend.

### Specific GHG emissions



## WASTE MANAGEMENT

### WASTE PRODUCTION

#### Definition

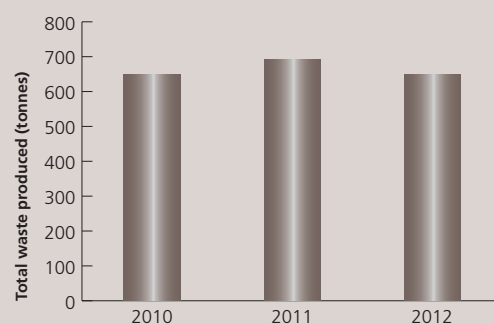
Total waste (hazardous and general waste) produced on our FPSOs and tankers in tonnes.

#### Trends Explained

We see a decrease in the amount of waste produced in the fleet (6% down from 2011). There is a decrease in waste produced from all TKPJ FPSOs, while we see an increase in waste produced from our tankers.

The variation in total waste production in in general dependent on activity levels on board.

### Waste Production



### WASTE SEGREGATION

#### Definition

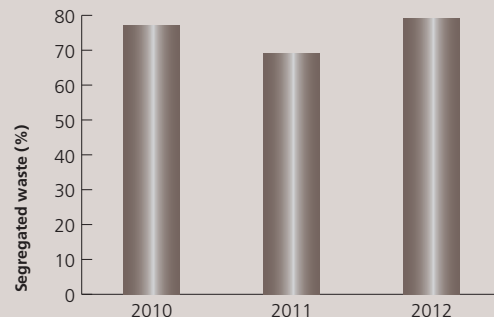
Average percentage of general waste segregated onboard our FPSOs.

#### Trends Explained

There is a 14% improvement in average waste segregation (general waste) rates from FPSOs, from 69% to 79%. The most significant increase comes from Petrojarl Cidade de Rio das Ostras (274%). Due to suspected errors in 2011 figures.

We also observe a positive trend in average recycling rates (non-hazardous waste) from FPSOs (4% increase from 2011 to 2012).

### Waste Segregation



# PROFIT

Running a profitable business is a goal shared by all trading companies. Arguably, from the perspective of sustainability, profit is the most critical part of the triple bottom line. If a strong focus is not maintained on the value proposition for the product or service for sale, profits will be affected and consequently the ability of a business to have any impact through its purpose (economic value, people and planet), will be eroded.

In this chapter, we take a closer look at the operational performance, international development and financial highlights of 2012.

## What are the challenges?

In order to continue running a profitable business, we need to ensure organic growth and a sustainable growth rate, while at the same time optimising our operational track record. Robust financial results are also necessary to keep our position in the market.

## SIGNIFICANT DEVELOPMENTS AND FINANCIAL HIGHLIGHTS

2012 has been the year of execution and integration of the FPSOs acquired at the end of 2011. Our operations throughout the year bear witness to the solidity and stability of our company. One of the measures of our operational performance is the process plant uptime on our FPSOs, indicating our ability to provide reliable production and operation to our clients. With a Production Utilization Factor (PUF) of 95.4 %, we exceeded our goal for 2012 of 94.5 %.

Many efforts have been and continue to be made to secure contracts and establish new projects in 2013, further strengthening our financial situation. Voyageur Spirit has come into production in 2013, alongside production start-up on our third FPSO in Brasil, FPSO Cidade de Itajaí.

We have seen increasing figures for revenue from 2011 to 2012, but decreasing figures for income. We have seen some increasing figures for revenue from 2011 to 2012, but decreasing figures for income from vessel operation. This is mainly due to Petrojarl Banff being out of service. An overview of our key financial results for 2012 can be found under "Key Figures" on page 2 of this report.

## INTERNATIONAL DEVELOPMENT

Teekay Petrojarl's strategy in the last few years has been to expand our operations as well as to improve existing contracts in order to strengthen our already good position in the FPSO market.

We have conducted one Front End Engineering Design study (FEED) in 2012, and expect to do more FEED studies in 2013. In addition to this, further projects in several sectors are in the pipeline and project teams have been established. We expect to utilize our strategic agreement with Samsung for development and bidding of Harsh Environment FPSOs.

## ETHICS AND ANTI-CORRUPTION

We acknowledge that it is not enough to do things right; it is also important to do them the right way. Our business decisions and actions must be ethical and in full compliance with legal requirements. The Standards of Business Conduct (SBC) reflect our continued commitment to ethical business practices and regulatory compliance. Acknowledgement of the SBC policy is required annually from all Directors and up (and any 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 externally operated toll-free hotline.



## 2012 SPOTLIGHT: SEVAN INTEGRATION

In 2012, major efforts were made to integrate the former Sevan Marine units brought into Teekay Petrojarl on 1 December 2011. The Sevan integration project was established with the purpose of having a coordinated and transparent review of everything we needed in terms of systems, procedures and competence in order to ensure a safe and cost-effective introduction of the previous Sevan Marine units into the Teekay Petrojarl organisation. This included a range of items spanning from infrastructure, support systems, organizational development, through to governing documents, supplier contracts etc.

The primary focus was on getting Piranema Spirit brought into the Teekay Petrojarl family, as well as integration activities connected to Voyageur Spirit and Hummingbird Spirit. The integration plan consisted of approximately 600 activities, and more than 30 people were involved in the project with allocated responsibility for activities. In addition, two own projects were set up to make Voyageur Spirit ready for operation, one for the yard stay in Nymo (Arendal, Norway) and one for the preparation for operation phase.



# ACTIONS AND RESULTS

Area		Planned Actions or Targets 2012	Results 2012	Planned Actions or Targets 2013
Climate	■	Establish energy management plan and vessel energy efficiency self-assessment tool	Energy management plans developed. The development of a self-assessment tool has started. This will be launched in 2013	Establish fleet-wide energy efficiency management training
Discharges to sea	■	Address causes of accidental spills and maintain frequency of < 5.9	Causes of accidental spills since 2010 have been analysed and addressed. A frequency of 4.58 was achieved	Maintain frequency on the low level as today
Safety	■	Improve risk assessment and awareness	The 2012 Safety Campaign Risk Awareness and Finger Injuries rolled out in July	Improve quality of offshore Risk Assessments (SJA) and Toolbox talks
Safety	■	0 increase in injuries. Total Recordable Injury Frequency (TRIF) < 3.1	The total recordable injury frequency in 2012 was 4.58	Total Recordable Injury Frequency (TRIF) < 3.8
Safety	■	0 increase in HiPo incidents. HSE High Potential Incident Frequency (HiPo) < 4.4	The overall HSE HiPo frequency was 1.72 in 2012	HSE High Potential Incident Frequency (HiPo) < 3.0
Technical Safety	■	Increase offshore competence around Safety Case/AoC/QRA to prevent major accidents	Presentation given to 3 vessels during offshore visit by Technical Safety Engineers. Will continue in 2013	Increase offshore competence around QRA to prevent major accidents
Society	■	Carry on with and further develop our work on supporting charities and cultural initiatives.	Support to Olavsfestdagene, music festival in Trondheim  The Social Footprints Committee continued their work	Carry on with and further develop our work on supporting charities and cultural initiatives. Become main sponsor of Olavsfestdagene 2013
Human Resources	■	Chosen focus areas from employee survey: - Noise - Tangible rewards - Supportive environment	Results from employee survey: Offshore: No change Onshore: Negative change on supportive environment and noise; no change on tangible rewards	Chosen focus areas from employee survey: - Communication (including leadership and direction and change management)
Health	■	Management of chemicals (continued from 2011)	Common system in place. Further implementation and roll-out will continue in 2013	Improve noise management

- Target achieved and planned 2011 actions complete.
- Target not achieved or planned actions not complete.
- Target not achieved and planned actions not complete.







## REPORTING BASIS

We use the Global Reporting Initiative (GRI G3.1) Sustainability Reporting Guidelines as a basis for our report, reporting on a self-declared B level. The GRI guidelines are the most commonly used guidelines for sustainability reporting.

The table indicates 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](mailto:trd.reception@teekay.com)

Visit our website at [www.teekay.com](http://www.teekay.com)



To see the report online, scan code.

# G3.1 CONTENT INDEX

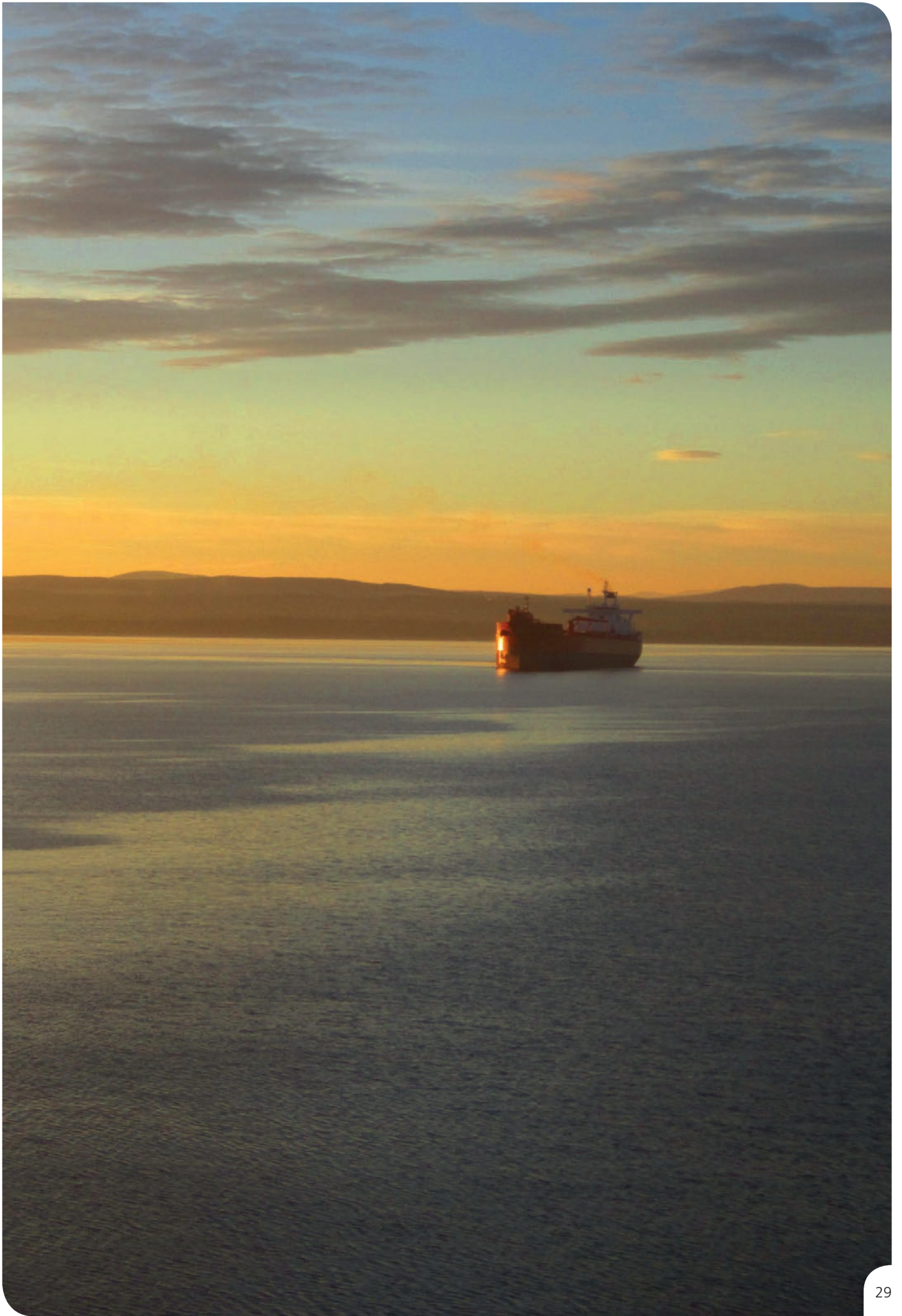
STANDARD DISCLOSURES PART I: Profile Disclosures			
Profile Disclosure	Description	Reported	Cross-reference/Direct answer
<b>1. Strategy and Analysis</b>			
1,1	Statement from the most senior decision-maker of the organization.	●	President's introduction, pg 7
1,2	Description of key impacts, risks, and opportunities.	●	President's introduction, pg 7 + each chapter
<b>2. Organizational Profile</b>			
Profile Disclosure	Description	Reported	Cross-reference/Direct answer
2,1	Name of the organization.	●	Front page and facts and history, pg 8
2,2	Primary brands, products, and/or services.	●	Facts and history, pg 8
2,3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	●	Facts and history, pg 8
2,4	Location of organization's headquarters.	●	Facts and history, pg 8
2,5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	●	Facts and history, pg 8
2,6	Nature of ownership and legal form.	●	Facts and history, pg 8
2,7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	●	Facts and history, pg 8
2,8	Scale of the reporting organization.	●	Key figures (pg 2), Facts and history (pg 8) and Our People (pg 4)
2,9	Significant changes during the reporting period regarding size, structure, or ownership.	●	Teekay Petrojarl took over ownership of two FPSOs from Sevan Marine on Dec 2011. One unit operated by Teekay Petrojarl (Piranema Spirit) included in this report.
2,10	Awards received in the reporting period.	●	Teekay Petrojarl's 2012 in brief, pages 11-13
<b>3. Report Parameters</b>			
3,1	Reporting period (e.g., fiscal/calendar year) for information provided.	●	About this report, pg 4
3,2	Date of most recent previous report (if any).	●	About this report, pg 4
3,3	Reporting cycle (annual, biennial, etc.)	●	About this report, pg 4
3,4	Contact point for questions regarding the report or its contents.	●	About this report, pg 4
3,5	Process for defining report content.	●	About this report, pg 4
3,6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	●	About this report, pg 4
3,7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	●	About this report, pg 4
3,8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	●	About this report, pg 4
3,9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	●	Our internal data measurement techniques are based on various acknowledged standards, such as industry or regulatory standards for HSE and HR reporting. Where data is based on estimates, this is indicated in the report.

The table indicates where you find our response to the various disclosures and performance indicators requested by the Global Reporting Initiative guidelines for sustainability reporting.

● = full reporting    ◐ = partial reporting

Profile Disclosure	Description	Reported	Cross-reference/Direct answer
3,10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	●	Any restatements are indicated with footnotes or explanatory text in report.
3,11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	●	No significant changes
3,12	Table identifying the location of the Standard Disclosures in the report.	●	This table
3,13	Policy and current practice with regard to seeking external assurance for the report.	●	No third party assurance has been sought for this report. We have the Global Reporting Initiative checking our GRI application level on the report.
<b>4. Governance, Commitments, and Engagement</b>			
4,1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	●	Teekay Petrojarl is a part of Teekay Corporation. Governance structure and committee charters are available under "Corporate Governance" in the Investor Centre of our website at <a href="http://www.teekay.com">www.teekay.com</a>
4,2	Indicate whether the Chair of the highest governance body is also an executive officer.	●	No
4,3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	●	The Board of Directors consists of nine members. Eight members are independent, and one member is Teekay's Chief Executive Officer (CEO)
4,4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	Teekay offers a Business Conduct Hotline that allows staff to anonymously report violations of our Standards of Business Conduct Policy. The Hotline is overseen by the Vice President, Risk Management and Internal Audit who reports directly to the Audit Committee of the Board of Directors. Other mechanisms are annual employee surveys and customer surveys.
4,5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	●	Teekay Corporation Annual Report
4,6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	Teekay Corporation – Corporate Governance Guidelines
4,7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	●	Teekay Corporation Nominating and Governance Committee Charter on <a href="http://www.teekay.com">www.teekay.com</a>
4,8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	●	We have developed several internal statements and principles. Some are common with Teekay Corporation (e.g. our values and Code of Conduct), and TKPJ also has own governing documentation (e.g. Management system manual) and mission statements (e.g. HSE policy and programs).
4,9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	●	Teekay Corporation Corporate Governance Guidelines on <a href="http://www.teekay.com">www.teekay.com</a>
4,10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	●	Teekay Corporation Nominating and Governance Committee Charter on <a href="http://www.teekay.com">www.teekay.com</a>
4,11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	The precautionary principle is addressed in all stages of a project life cycle, e.g. quantitative risk management in FEED processes through to safe work analysis in operations
4,12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	●	Teekay Petrojarl Production AS is certified according to ISO9001 and ISO14001. Four of our vessels are also OHSAS18001 certified. We report our GHG emissions and strategies through the CDP.
4,13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: *Has positions in governance bodies; *Participates in projects or committees; *Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	●	Norwegian Shipowner's Association, Intertanko
4,14	List of stakeholder groups engaged by the organization.	●	About this report, pg 4





Profile Disclosure	Description	Reported	Cross-reference/Direct answer
4,15	Basis for identification and selection of stakeholders with whom to engage.	●	About this report, pg 4. We consider our stakeholders to be those with an influence on or those being influenced by our activities. We have an active engagement with all material stakeholders, but do not have a formalised process for defining or engaging stakeholders.
4,16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	●	Various approaches and frequencies exists, from annual customer and employee surveys, annual HSE programme seminars, regular stakeholder meetings on specific topics to daily operations meetings with operators.
4,17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	●	This report sums up the main sustainability topics brought up by our stakeholders in 2012. Other methods for responding to stakeholder concerns are through meetings, intranet, as well as other informal and formal communication channels.
<b>STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)</b>			
G3 DMA	Description	Reported	Cross-reference/Direct answer
DMA EC	Disclosure on Management Approach EC	●	Profit (pg 22), Facts and History (pg 8) and Corporate Social Responsibility (pg 18)
DMA EN	Disclosure on Management Approach EN	●	Environment, pg 19
DMA LA	Disclosure on Management Approach LA	●	Our people, pg 14
DMA HR	Disclosure on Management Approach HR	●	Suppliers (pg 18) and Our People (pg 14)
DMA SO	Disclosure on Management Approach SO	●	Corporate Social Responsibility (pg 15) and Ethics and anti-corruption (pg 22)
DMA PR	Disclosure on Management Approach PR	●	Safety (pg 15), PR1 in this table
<b>STANDARD DISCLOSURES PART III: Performance Indicators</b>			
<b>Economic</b>			
Performance Indicator	Description	Reported	Cross-reference/Direct answer
<b>Economic performance</b>			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	●	Key figures (pg 2), Profit (pg 22) and Corporate Social Responsibility (pg 18)
EC4	Significant financial assistance received from government.	●	No financial assistance received from government in 2012.
<b>Market presence</b>			
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	●	Suppliers, pg 18
<b>Indirect economic impacts</b>			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	●	Corporate social responsibility, pg 18
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	●	President's introduction (pg 7) and Corporate social responsibility (pg 18)
<b>Environmental</b>			
<b>Emissions, effluents and waste</b>			
EN16	Total direct and indirect greenhouse gas emissions by weight.	●	Environment, pg 19-21
EN17	Other relevant indirect greenhouse gas emissions by weight.	●	Indirect emissions through electricity used in our main office accounts for 45.5 tonnes in 2012.TKPI employee air travels in 2012 accounts for 3941 tonnes of CO <sub>2</sub> equivalents.
EN20	NOx, SOx, and other significant air emissions by type and weight.	●	Estimated 5904 tonnes NOx and 289 tonnes SOx from FPSOs in 2012.
EN21	Total water discharge by quality and destination.	●	Environment, pg 20
EN22	Total weight of waste by type and disposal method.	●	Environment, pg 21
EN23	Total number and volume of significant spills.	●	Environment, pg 20

Social: Labor Practices and Decent Work			
Performance Indicator	Description	Reported	Cross-reference/Direct answer
<b>Employment</b>			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	●	Our people, pg 14
<b>Labor/management relations</b>			
LA4	Percentage of employees covered by collective bargaining agreements.	●	Key figures, pg 2
<b>Occupational health and safety</b>			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	●	Approximately 60%
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	●	Safety (pg 15), key figures (pg 2)
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	●	We have occupational health services in all countries of operation, as well as medics on board all FPSOs. Other benefits include health insurance, free mammography etc.
<b>Training and education</b>			
LA10	Average hours of training per year per employee by gender, and by employee category.	●	Our people, pg 14
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	●	All permanent employees receive annual performance review and career planning
<b>Social: Human Rights</b>			
<b>Child labor</b>			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	●	Risk in our operation and immediate supply chain has been assessed to be low. No remediating actions taken.
<b>Forced and compulsory labor</b>			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	●	Risk in our operation and immediate supply chain has been assessed to be low. No remediating actions taken.
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	●	We have assessed human rights risk to be low for all countries of operation and major projects.
<b>Social: Society</b>			
<b>Local communities</b>			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	●	Corporate Social Responsibility, pg 18
<b>Corruption</b>			
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	●	All managers and above
<b>Public policy</b>			
SO5	Public policy positions and participation in public policy development and lobbying.	●	Teekay Petrojarl does not hold any public policy positions or participate in public policy development and lobbying.
<b>Social: Product Responsibility</b>			
<b>Customer health and safety</b>			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	●	Health, safety and environmental impacts of our services and operations are always assessed in all stages of a project and/or vessel's life cycle stages, from pre-qualification, through FEED, detail engineering to operations and decommissioning.





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