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Up to

**1,600**

employees

Presence in

**11**

countries

**7,438,951**

barrels of oil

**2**

Floating Production  
Storage & Offloading  
(FPSO) vessels

**No. 1**

in Malaysia; largest  
owner and operator  
of offshore support  
vessels

A Malaysia based international company, Bumi Armada is an established and trusted service partner in the oil and gas industry. We provide offshore and marine services via 6 business segments:



### **FLOATING PRODUCTION STORAGE & OFFLOADING (FPSO)**

Own and operate FPSO and early production systems. Currently, FPSO Armada Perkasa and Armada Perdana are operating offshore in Nigeria. The third FPSO contract has been secured for Hoang Long Joint Operating Company (HLJOC) in Vietnam and the Armada Perwira, is expected to commence operations in second half of 2011.



### **OFFSHORE SUPPORT VESSELS (OSV)**

Own and operate a fleet of over 50 vessels comprising Anchor Handling Tug and Supply (AHTS) vessels, straight supply vessels, accommodation workboats and work barges to support the offshore O&G industry.



### **TRANSPORT & INSTALLATION (T&I)**

Includes pipelay, heavy lift, subsea installation, floater and mooring installation and marine spread support. Installed the pre-set moorings for the FPSO Armada Perdana using a specially adapted in-house 12,000 BHP vessel. Currently, executing a contract to supply and operate a derrick pipe-lay barge (DLB) in the Caspian Sea off Turkmenistan. We also have a joint-venture with reputable pipeline and platform installation contractor, J. Ray McDermott, in Malaysia known as Barmada McDermott.



### **EXPLORATION AND PRODUCTION SERVICES**

We have expanded into the seismic business, providing survey programmes, and plan to provide drilling services in the future.



### **FLEET MANAGEMENT SERVICES (FMS)**

In-house management and operations of our fleet in all aspects of operations and maintenance with over 1,200 crew members and shore bases in Asia, Africa, Venezuela, Mexico and the Caspian Sea.



### **ENGINEERING PROCUREMENT & COMMISSIONING (EPC)**

Provision of EPIC services which entail the engineering, design, procurement and project management services for FPSO projects and early production systems. We have built extensive competencies in EPIC services from conceptual design through to commissioning and start-up. We have successfully managed the "Steel on Water" newbuild OSV programme, the conversion of both our current operating FPSO units, and the construction and integration of the DLB, Armada Installer.

# GLOBAL PRESENCE, LOCAL REACH

We are well positioned to serve our international portfolio of customers with over 400 shore-based employees, a vessel crew of over 1,200 seafarers made up of over 20 nationalities, as well as offices and supply bases around the world:



Location	Function
Malaysia	Headquarters in Kuala Lumpur and 3 shore bases in East and West Malaysia to provide support and FMS(Fleet Management Service) for customers in the region. Has a joint venture with J. Ray McDermott, Barmada McDermott
Singapore	Team of specialists for EPICC
India	Joint-venture with India's Forbes & Company Limited, Forbes Bumi Armada Ltd
Africa	2 shore bases, Nigeria and Congo, and a joint-venture in Nigeria, known as Century Bumi JV Ltd
Turkmenistan	Operational shore base to support the Armada Installer in the Caspian Sea

# VISION, MISSION AND CORE VALUES

## Vision

To be the Premier Off shore and Marine Oil and Gas Services Provider in Every Corner of the World.

## Mission

To Own, Lease and Operate a Modern Oil and Gas Fleet Safely and in an Environmentally Friendly Manner.

## Core Values

Customer Focus, Brutal Openness, Commercial Awareness, People Development, Safety Mindset and Hands-on Execution.





## MESSAGE FROM THE CEO

The year 2009 was eventful on many fronts; a global financial crisis, extreme weather conditions all over the world causing billions of dollars worth of damage, a rising wave of environmental and social responsibility initiatives by companies, and the hype and hope leading up to the stunning and anticlimactic disappointment at Copenhagen. If 2009 has taught us any lessons, it is the vital importance of doing business in a responsible and sustainable manner. Despite failure to achieve world consensus at Copenhagen, it is heartening to see individual countries and companies lead the way in sustainable initiatives. We intend to be a part of this effort.

Bumi Armada is Malaysia's largest owner and operator of off shore support vessels and an established business in Floating Production Storage and Offloading (FPSO) facilities for the oil and gas industry. We build and operate assets and systems, and provide management services to our clients from Malaysia, and South East Asia, to West Africa and Latin America.

As a modest company that has tripled in size in just less than 4 years, Bumi Armada is undergoing a transformation into an international player in a very short period of time. We are faced with challenges brought about by the very nature of our business and by quantum growth. Our fleet comprises approximately 50 vessels with an average age of 5 years including 20 new builds, and 2 FPSOs in Nigeria.

Serving new geographical markets outside Asia presents us with both issues and opportunities. As with any commercial enterprise, our focus remains on consolidating our position in Asia and Africa as well as increasing our profitability. At the same time we are aware of our social responsibility as a corporate entity.

We are committed to being a good corporate citizen and with commitment comes responsibility and accountability. This inaugural Corporate Social Responsibility (CSR) Report is intended to give us a reference point for our own CSR performance, enable us to identify gaps and allow us to develop realistic and financially responsible proposals for improvements, moving forward.

Hassan Basma  
**Chief Executive Officer**  
**Bumi Armada Berhad**

# BUMI ARMADA BERHAD'S CORPORATE SOCIAL RESPONSIBILITY POLICY

As a part of the energy industry, Bumi Armada recognizes that its business operations and processes will have environmental, societal and economic consequences and is committed to minimizing or mitigating negative impacts and implementing sustainable practices in each of these areas.

## **Vessels, facilities and services**

- Build quality assets (vessels and floating production facilities) that meet international environmental standards and provide environmentally and socially responsible services.

## **Operations**

- Conduct and manage our business operations in a responsible manner with safety, reliability, good corporate governance and transparency as over-riding principles.
- Protection of the environment, including; prevention of pollution, sustainable resource use, conservation of energy and resources and minimizing our ecological footprint.

## **Social Responsibility**

- We aim to play a role in the social and economic upliftment of the people and communities we are present in through strategic social investment.

## **Employees**

- Provide a safe and equitable working environment that is conducive to their professional development and enhanced employer-employee relationships, in line with our 6 core values of People Development, Safety Mindset, Customer Focus, Brutal Openness, Hands-On Execution and Commercial Awareness.

## **Stakeholders**

- Engage and build trust with stakeholders wherever we are present through two-way dialogues; understanding expectations, communicating our company's goals and where possible, collaborate for mutual benefit.

Bumi Armada will ensure that resources are available to plan and implement initiatives, establish goals, measure and monitor progress of its corporate social responsibility performance as part of its annual management reviews. The cooperation and involvement of employees at all levels is essential for the effective implementation of this policy.

Hassan Basma  
**Chief Executive Officer**  
**Bumi Armada Berhad**



# SCOPE OF THE REPORT

**This is the first Corporate Social Responsibility (CSR) report produced for Bumi Armada Berhad, a company that has been in existence since its incorporation in 1995. The report will cover activities for the year 2009. As a fast-growing player in the offshore oil and gas industry, we are aware of our ecological footprint and aim to identify and address in a pragmatic manner, our impact on the environment, economy and the communities where we operate.**

Following the Global Reporting Initiative (GRI) reporting format closely on all relevant areas, this inaugural report covers our company's operations, which encompasses a fleet of about 50 vessels, 2 FPSOs and a barge, and the construction of a third FPSO.

The average age of our OSV fleet is about 5 years but there are quite a number of older vessels which present some challenges to implementation of environmentally friendly systems and to maintenance of hygiene and efficiency standards. A feasibility study is being conducted to review the fleet and present recommendations to the Management for improvements moving forward.

Where our onshore facilities comprising offices and shore bases are concerned, we will start by recording data on 3 key indicators - office energy, water and paper usage as well as our carbon footprint from air travel for our Malaysia-based facilities only. We have not included our corporate carbon footprint from road travel nor environmental and social impacts of our projects in the scope of this report as data is not available. As we move forward, we will need to consider what other key indicators are relevant, and develop monitoring processes for future reporting and expand to locations outside Malaysia.

This report which applies the independent reporting principles under the GRI-G3 framework, will provide the company, with a starting point for its CSR performance, identify gaps or areas for improvement and provide direction for future initiatives.

It is the company's first step. There is a long road ahead with much more to be done; there will be challenges and obstacles and limits to what the company can implement out of a multitude of initiatives. Rest assured, we are committed to making progress each and every day.

- Since this is our first report, there are no significant changes from the previous reporting period. We aim to produce this report on a regular basis bi-annually.
- The GRI Profile Disclosure table is appended at the back of this report

# CORPORATE GOVERNANCE

Bumi Armada Berhad is a part of the Usaha Tegas Group of Companies. The company was incorporated in 1995 as a public limited company (under the Companies Act, 1965). Our company was delisted in 2003, after which it continued to operate in line with good governance principles.

The Board of Directors number 7, and include the Chairman, Deputy Chairman and two Executive Directors – the CEO and CFO. The Management Team comprises 13 members covering various management functions or as head of the subsidiaries.

The Board of Directors recognizes the importance of good Corporate Governance in directing the businesses of the Group. The Board has placed strong dedication and commitment to the highest standards of Malaysian Code on Corporate Governance and “Lead by Example” throughout business operations. The Board further acknowledges the importance of Internal Audit, Risk Management and Compliance functions toward the attainment of highest standards of the Code. It is also the Board’s belief, that Corporate Governance is synonymous with certain key concepts such as transparency, accountability, integrity and corporate performance.

Through the establishment of an Audit Committee, the Board seeks to ensure that all staff operate to the highest standards of business integrity and enforce strictly the standards of business conduct. Policies that have been put in practice include the Group’s Code of Ethics, and Standard Operating Policies and Procedures (SOP). These aim to instill and cultivate good corporate governance. Additionally, the prevalence of a Whistle Blowing culture has been established as a policy to encourage a universal respect for high business standards in all its internal workings.

## **Audit Committee**

The Audit Committee was appointed by the Board and is composed of not fewer than three (3) members, the majority of whom are Independent Directors. In determining independence, the Board will observe the requirements of Paragraph 1.01 of the Listing Requirements (“LR”) and Practice Note No. 13/2002 of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other directives announced by Bursa Securities from time to time.

## **Duties of the Audit Committee**

The primary purpose of the Audit Committee is to provide assistance to the Board of Directors (the “Board”) in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices for the company and all its subsidiaries. The Audit Committee also maintains, through regularly scheduled meetings, a direct line of communication between the Board and the External and Internal Auditors and provides a framework within which the External Auditors can assert their independence in the event of a dispute with management.

## **Malaysian Code of Corporate Governance**

The company aims to comply with the Malaysian Code of Corporate Governance (“the Code”) which sets out principles and best practices that companies may use in achieving an optimal governance framework. The Code outlines roles and responsibilities of the Board, a remuneration system which covers the relationship between compensation and effectiveness of the Board, criteria for appointment of directors, the composition of the board of directors, accountability and audit and the role of a nominating committee. Independent non-executive directors are expected to provide a more meaningful and independent oversight function. The company’s Board, independent directors and audit committees meet on a regular basis which provides mutually beneficial advice and oversight, and direction for the company’s performance.

The company endeavours to implement a performance based culture within all levels of management whose performance is linked to regular evaluation and compensation reviews.

## **Internal Audit Department**

Internal Auditing is an independent appraisal function established by the Audit Committee to promote good Corporate Governance. To fulfil one of the functions, Internal Auditing furnishes members of the organization, management and Audit Committee members with analyses, reports, recommendations and information concerning the activities reviewed. The ultimate audit’s agenda remains the promotion of effective internal controls through risk based auditing.

# COMPLIANCE MANAGEMENT

With regard to Compliance to the Quality Management System, it is Bumi Armada's policy to comply with international standards:

- Effective Planning and Implementation of the Quality Management System in line with ISO 9001:2008 requirements.
- Consistently applying the key concepts of Quality Management (Commitment, Training, Customer Focus and Continuous Improvement).
- To provide added value services that meet the Client's needs.
- To meet Contractual & Regulatory requirements.
- Communicating to all employees the importance of their commitment to the Quality Policy and the Quality Management System.
- Maintaining continuous improvement in all areas of the Company.

Bumi Armada Berhad's Corporate Management Systems are implemented in line with the following internationally recognised standards:

- Quality Management System Standard ISO 9001:2008
- Environment Management System Standard ISO 14001:2004
- Occupational Health & Safety Assurance Standard OHSAS 18001: 2007
- MARPOL Regulations 2006 / SOLAS 2005
- ISM / ISPS Codes (International Safety Management / International Ship and Port Facility Security)
- Comply with all American Bureau of Shipping (ABS) regulations and requirements

The company attained ISO 9001:2000 Certification in 2008 covering the full range of our services, from vessel procurement through to vessel operations. In 2009 the company upgraded its Certification to ISO 9001:2008, the latest version of the standard.

Bumi Armada Berhad also implements ISO 14001 and OHSAS 18001 requirements through the HSE Management System and is on track to achieve certification for both of these standards in 2010.

The company operates a full HSEQ Audit and Compliance program which encompasses both our OSV and FPSO fleet as well as our corporate and project groups. Regular audit reporting and management reviews are conducted with the aim of identifying opportunities for further development.

## A list of our vessels and compliance with internationally recognized standards

Vessel	Mandatory & Voluntary	
	ISM Code	ISPS Code
<b>Offshore Support Vessels</b>		
Armada 4	NA	NA
Armada 7	NA	NA
Armada 10	NA	NA
Armada Hydro	NA	NA
Armada Indah	NA	NA
Armada Manis	NA	NA
Armada Merak	NA	NA
Armada Mutiara	NA	NA
Armada Mutiara 2	NA	NA
Armada Mutiara 3	NA	NA
Armada Mutiara 4	NA	NA
Armada Satria	NA	NA
Armada Teja	NA	NA

## COMPLIANCE MANAGEMENT

Mandatory & Voluntary			
Vessel	ISM Code		ISPS Code
<b>Offshore Support Vessels</b>			
MAHAKAM	NA		NA
Armada 5	Y		Y
Armada 6	Y		Y
Armada Aman	Y		Y
Armada Firman	Y		Y
Armada Firman 2	Y		Y
Armada Firman 3	Y		Y
Armada Goodman	Y		Y
Armada Iman	Y		Y
Armada Salman	Y		Y
Armada Topman	Y		Y
Armada Tuah 6	Y		Y
Armada Tuah 8	Y		Y
Armada Tuah 9	Y		Y
Armada Tuah 10	Y		Y
Armada Tuah 20	Y		Y
Armada Tuah 21	Y		Y
Armada Tuah 22	Y		Y
Armada Tuah 23	Y		Y
Armada Tuah 24	Y		Y
Armada Tuah 25	Y		Y
Armada Tuah 26	Y		Y
Armada Tuah 80	Y		Y
Armada Tuah 81	Y		Y
Armada Tuah 82	Y		Y
Armada Tuah 100	Y		Y
Armada Tuah 101	Y		Y
Armada Tuah 102	Y		Y
Armada Tuah 104	Y		Y
Armada Tuah 105	Y		Y
Armada Tugas 1	NA		NA
Armada Tugas 2	Y		Y
Armada Tugas 3	NA		NA
Armada Tugas 4	NA		NA
Ventures Tuah Satu	Y		Y
Ventures Tuah Dua	Y		Y
<b>Floating Production, Storage and Offloading Vessels</b>			
Armada Perkasa (FPSO)	NA		NA
Armada Perdana (FPSO)	NA		NA

**Notes:**

1. N/A = Not applicable for vessel with Gross Tonnage below 500GRT for ISM & ISPS code requirements
2. MARPOL compliance to conventions and non conventions for vessels above 400 Gross Tonnage follows country of operation requirements
3. SOLAS compliance to conventions and non conventions for vessels above 500 Gross Tonnage

MANAGEMENT STANDARD	ISO 9001	ISO 14001	OHSAS 18001
Corporate Management System	Y	P	P
Projects Management System	Y	P	P

P = Implemented and Pending Certification year 2010.

ISO 9001:2008 – Quality Management System Requirements.

ISO 14001:2004 – Environmental Management System Requirements.

OHSAS 18001: 2007 – Occupational Health & Safety Management Systems – Requirements.

# HEALTH, SAFETY, SECURITY AND ENVIRONMENT

Achieved its target of Goal Zero and without any recordable incident for OSV, DLB, Projects and Offices

The total Man-hours worked for Bumi Armada Berhad is **3,957,005** hours

There were **ZERO** fatality

**2** bronze and a merit award for health, safety and HSE performance from Petronas Carigali

Received a **4 years** Goal Zero achievement plaque from Sarawak Shell

Bumi Amada Berhad offers offshore support services to the oil and gas industry, through its 50 OSVs and 2 FPSOs. In line with this, we recognize that there are numerous risks that exist and it is vitally important to address these risks to provide a safe working environment for all its employees, contractors and associated people. The company has a robust HSSE policy and is involved in continuing efforts to achieve a Goal Zero target.



## HSSE PERFORMANCE 2009

INCIDENT	BUMI ARMADA BERHAD	CONTRACTOR	TOTAL
FATALITY	0	0	0
LOST TIME INJURY (LTI)	1	0	1
RESTRICTED WORK CASE (RWC)	0	0	0
MEDICAL TREATMENT CASE (MTC)	3	2	5
TOTAL RECORDABLE INJURIES (TRI)	4	2	6
TRCF	1.01	0.35	0.62
LTIF	0.25	0	0.1
FIRST AID CASE (FAC)	10	5	15
NEAR MISSES (NM)	22	1	23
PROPERTY DAMAGE/ LOST	49	0	49
FIRE/ EXPLOSION	1	0	1
OIL SPILLS (<1 BARREL)	3	0	3
PROPELLER ENTANGLEMENT	2	0	2
SECURITY	11	0	11
ROAD ACCIDENT	4	0	4
TOTAL NON-INJURIOUS ACCIDENT	102	6	108
ACT – STOP CARD	2713	120	2833
MAN – HOURS	3,957,005	5,676,974	9,633,979

## HEALTH, SAFETY, SECURITY AND ENVIRONMENT

In 2009, Bumi Armada continued in its strive towards an improved and sustained Health Safety Security and Environment (HSSE) performance. It achieved the Total Recordable Case Frequency (TRCF) rate and Lost Time Incident Frequency rate (LTIF) of 1.01 and 0.25 respectively. The LTI case happened on 20th October where the injured person slipped and fell in the bathroom which resulted in dislocated shoulder. In the OSV operations it was able to achieve a Goal Zero with 2.79 million LTI – free hours.

The contractors working for us similarly had a good HSSE performance record of TRCF 0.35 of and zero LITF with 5.67 million LTI-free hours. This showed clearly that the HSSE policies and processes have effectively kept all our contractors safe on the job.

Health, safety, security and environment are primary management objectives and the responsibility of every employee. The company HSSE policy incorporates three essential principles:

### **(i) Strong and active leadership from the top**

We believe that strong leadership is crucial to efficient and effective implementation of HSSE action plans. There is a policy of time-cascaded management inspections where senior management are expected to carry out at least one Management Facility Visit (MFV) per year. In addition, there is visible Base Management presence, with line managers carrying out at least one Management visit per month. On board, the Master and Chief Engineer make weekly inspection rounds.

We have also established effective downward communication systems and management structures for effective integration of good health and safety management with business decisions and compliance with all legislative requirements.

### **(ii) Worker Involvement**

The company strongly believes in engaging the workforce in the promotion and achievement of safe and healthy working conditions. In addition to downward communication (i.e. from management to staff), there is an equal important emphasis on effective upward communication. All employees need to be familiar with the Management System and various safety policies to be able to make sound and informed decisions affecting day to day operation, health, safety, security and environment at work sites.

### **(iii) Assessment and Review**

In line with our policy of progressing towards Goal Zero, the company undertakes continuous monitoring, reporting and reviewing of its performance, with a view to identify and manage its health, safety and security risks. It places an important emphasis on maintaining asset integrity and reliability and facilitates access to and following on competent advice.



## OFF SHORE SUPPORT VESSELS (OSV)

Bumi Armada's HSSE Plan 2009 is aligned to meet our own stringent requirements and charterers' expectations to be a safe and reliable service provider. All Heads of Departments, Managers, Superintendents and Masters of vessels understand the operation and effective functioning of our Management System including effective ISM and ISPS implementation.

The HSSE department's highest priority for 2009 is to further improve on our 2008 performance and strive for "Goal Zero". With this in mind, the company has put in place steps to ensure the 2006 Total Recordable Case Frequency (TRCF) of 3.69 which came down to 0.84 in 2008 and finally 0.36 in 2009 continues. This is a 50% improvement from year to year.

	2006	2007	2008	2009
TRCF	3.69	1.91	0.84	0.36
LTIF	1.58	0.48	0.42	0

The HSSE plan has been revised to meet these challenges. The EP Asia Pacific Shell Safety Recognition Award 2008 was awarded to Bumi Armada during the last Shell HSSE and Operations meeting in Miri. The award was in recognition of the outstanding contribution towards building a culture of compliance and intervention towards Living Goal Zero.



### ■ Management Systems

All recruitment of offshore staff is done in compliance with statutory regulations of local and international marine organizations. All offshore staff are required to attend a one day induction at the bases that covers all key aspects of Health, Safety, Security and Environmental Management Systems (HSE-MS) before going off shore. They are also required to have a valid medical certificate attesting 100% fitness to work. Returning staff have to attend a pre-joining briefing which covers details on Health, Safety and Environment, operations and commercial aspects of off shore operations.

## HEALTH, SAFETY, SECURITY AND ENVIRONMENT

The HSE department has implemented a common system of conducting audits and inspections using the common marine inspection document by IMCA. The target was to cover all vessels by Q1 2009 which has been successfully implemented.

There is also ongoing progress towards implementing the Minimum Health Management Standards (MHMS) and attain a MHMS SAQ assessment level of 3.0.

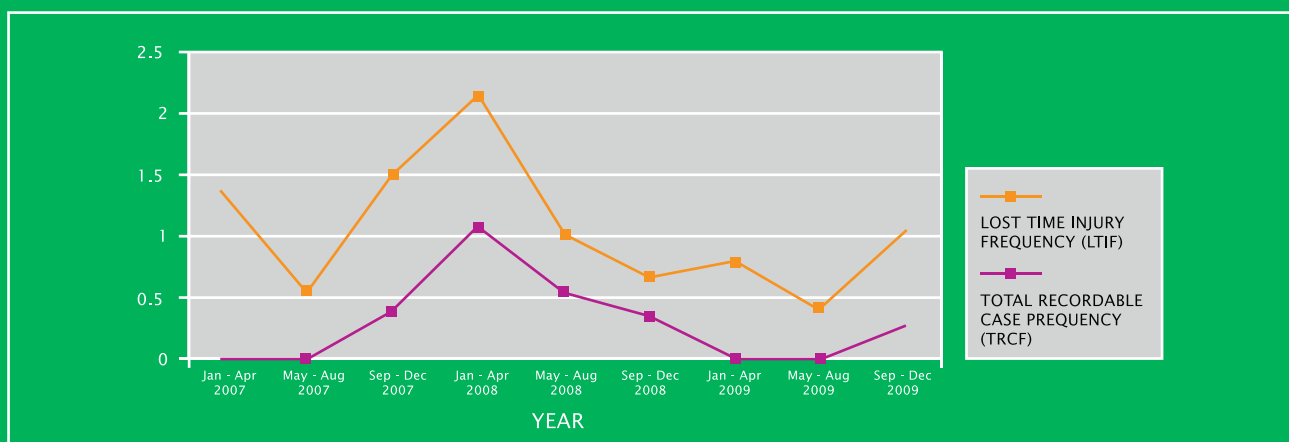
### ■ Operational Safety

Safety campaigns on OSVs are based on frequent and recurring incidents and common themes from vessel audits as well as client requirements. Managers and superintendents conduct and carry out regular Medical Emergency Response checks to ensure compliance with the standard. These are carried out quarterly with the Ship Inspection Visits. In order to ensure continued staff readiness to deal with emergencies, drills are carried out regularly involving shore based and external parties.

Procedures for security are followed as per ISPS regulations. There are two Security Officers for shore-based operations and at least one Ship Security Officer (SSO) on every ISPS classed vessel. The SSO are trained and certified by the local institutions at each significant area of the organization's operations.

There are HSE committees at various levels to increase the interface of joint management – worker cooperation in monitoring and mitigating health, safety, security and environmental risks. On the vessels, the HSE committee includes the Master, who is the chairman, and representatives from each department (Deck, Engineering, Service staff, as well as the crew). HSE committees are overseen by HSE Managers onshore for each region of operation, and by the CEO and Operations at the headquarter level.

### BUMIARMADA BERHAD LTIF & TRCF



The figure above depicts the success of our Goal Zero initiative as we had Zero incidents of Total Reportable Case Frequency (TRCF) and Lost Time Injury Frequency (LTIF) in 2009. The Accident Control Technique (ACT) and the proactive intervention programmes on board our worksites greatly contributed towards this achievement. Safety is seen as everyone's responsibility.





### ■ Health and Hygiene

In terms of hygiene, the HSSE department submits OSVs to regular quarterly health and hygiene audits which are conducted together with the Ship Inspection visits. Action plans depend on observations raised during the inspection. The HSSE department is further developing elements of the Health and Hygiene Plan to include enhanced cleaning practices, and more efficient waste disposal and fumigation. Measures are taken at all times to ensure that the vessels have the Ship Sanitation Exemption (SSE) certification. Currently all our OSVs hold this certification, which is renewed every six months.

### ■ Environmental Challenges

Accidental oil pollution is a major risk in our industry and we have put in place plans to minimize the occurrence of such incidences. Oily water separators are fitted on all vessels and overboard discharge valves are locked. In addition, waste disposal management chits are used to track the disposal of dirty oil from all vessels.

In 2009, 2 incidences of oil spills occurred. The oil spills of less than 10 litres in total were both contained on board with immediate corrective action taken. Currently, the OSVs comply with the following MARPOL regulations for waste disposal and effluent and emissions discharge:

- MARPOL Annex I (Oil Pollution Prevention)
- MARPOL Annex IV (Sewage Pollution Prevention)
- MARPOL V (Garbage Pollution Prevention)
- MARPOL VI (Air Pollution Prevention)
- Noise Level Guidance as per IMO 468 (XII)
- International Maritime Dangerous Goods Code (for preventing and combating pollution from Dangerous Goods)

## FLOATING PRODUCTION, STORAGE & OFFLOADING (FPSO) VESSELS

FPSOs offer cost effective solutions for the development of marginal fields with short production life spans. They are most suitable for remotely located oil fields isolated from existing infrastructure. Over 2 FPSOs Armada Perkasa and the Armada Perdana, are both stationed off the coast of Nigeria.



### ■ Management Systems

The Offshore Installation Manager (OIM), and onshore, the Country Manager, are responsible for establishing, maintaining, disseminating and enforcing the Health and Safety Programme in compliance with all company and client policies and standard operating procedures as well as all federal, state and local regulations. Once the Programme is established at the job site, the OIM or Country Manager is responsible for ensuring that the programme is understood, maintained, practiced and enforced.

Superintendents and foremen are responsible for the daily implementation and enforcement of the programme. These are carried out through daily leadership, proper example and administrative control for accident prevention efforts to be successful. Each employee is expected to be aware of and understand that safety is a condition of employment.

The company's HSSE Department coordinates, assists, monitors and evaluates the effectiveness of these programmes and makes appropriate recommendations.

### ■ Operational Safety

On board the FPSOs, each Superintendent makes a weekly formal safety performance inspection of a designated area (or work area of another Superintendent) for the specific purpose of discovering hazards, unsafe conditions, unsafe work habits or employees with weak safety attitudes. Documentation of these inspections are maintained at the jobsite as well as forwarded to the OIM for review.

The FPSO OIM makes a weekly employee safety performance observation of at least one work area on the job. The objective of this is to evaluate the thoroughness of the Superintendent's safety programme. This observation also serves as a measure of employee understanding, acceptance, responsiveness and knowledge of the program.

The OIM or a designee conducts weekly safety meetings to discuss near-miss incidents, accident investigations, job safety audits and safety problems encountered or anticipated. This serves as a safety awareness training session with an emphasis on improving and expanding the supervisor's or foreman's safety knowledge, performance and awareness. Documentation of these meetings is maintained at the job site.

Once every two months, the company health and safety representatives conduct a job-site safety performance inspection. The safety inspection reports address only those areas where corrective action is recommended or where deficiencies are believed to be occurring that affect adherence to company, client or government policies and procedures. All safety performance inspections are copied to the appropriate Country Manager.

Procedures for security are followed as per ISPS regulations. Our FPSOs have a Company Security Officer for shore-based operations and a Ship Security Officer onboard. The SSO is trained and certified to ISPS regulations.

### ■ Health and Hygiene

The company has policies in place to ensure proper health and hygiene of all facilities and personnel on board the FPSO. This is carried out in numerous ways, one of which is to ensure that employees are provided with a job site free from hazards that are associated with exposure to occupational dusts, fumes, mists, radio-nuclides, gases and vapours by using accepted engineering and work practice control measures. These measures are also used to mitigate and control the exposure of personnel to bloodborne pathogen. Personal protection equipment is used as needed.

## HEALTH, SAFETY, SECURITY AND ENVIRONMENT

### ■ Environmental Challenges

The Armada Perkasa – having been on the field since 2008 – undergoes monitoring of its aqueous and air emissions. Produced water sampling is undertaken about 4 times daily to ensure that the water being discharged does not contain concentrations above those mandated by international regulations. Currently federal Nigerian regulations mandate a discharge concentration of no more than 40 ppm of oil in water. However, the discharge concentration of produced water out of Perkasa contains no more than 15 ppm in compliance with MARPOL 73/78 Annex I. As not enough produced water is used, batch treatment is used instead of continuous flow.

The water from the cargo tanks is also monitored to ensure that concentrations comply with the regulations. Automated online samplers are located at the point of discharge, for both produced water and water from the cargo tanks that undertake continuous online sampling of the produced water. If the concentrations are higher than mandated, they are sent back into the system for further treatment.

Due to the stationary nature of the FPSO, ballast water treatment is not considered to be of much significance currently. Effluent wastewater is treated before discharge. Monitored seawater samples are deemed safe as cumulative discharge of effluent for the period does not alter the receiving medium. The sewage / sanitary wastewater continue to comply with regulatory limits as their measured level is safe when discharged into the off shore environment.

With regard to air emissions, on 1st February 2010, the Nigerian government implemented the Zero Flaring Policy that mandates all off shore and onshore units to eliminate flaring completely from their operations. Compliance with this regulation is a major challenge for oil and gas companies.

Air emissions from engines and turbines as well as noise emissions from the Armada Perkasa are currently monitored once a month by external consultants to ensure compliance with federal and local regulations.

Gas produced as a result of operations are used as an energy source in our turbines and for on board power generation. Excess gas has to be flared and the Armada Perkasa flared a total of 2010.979 mmscf of gas in 2009. Our teams together with our business partners are looking at flare reduction solutions which included engineering modifications.

Our second FPSO, Armada Perdana which only started production in December, has been designed to ensure that gas produced are used as fuel gas for on-board power generation, gas lift or re-injected back into the well.

## CORPORATE HSSE

Corporate HSSE incorporates health, safety, security and environmental factors for all the company's offices and associated facilities. The HSSE department also conducts formal office HSSE inspections annually and develops remedial action plans with all parties. In addition, the department has continual ongoing HSSE competency training for all staff and organize presentations on HSSE – related issues in order to increase staff awareness. The department is fully equipped to identify all HSSE non-conformances in each office location such as ergonomics, lighting, noise and hygiene conditions.

Regular annual office health hazard identification audits are conducted and addressed. Selected personnel are trained as First Aid practitioners and their training is current.

A significant goal for us is to reduce the environmental footprint of all our office facilities by looking at measures such as reduction of electricity consumption (e.g. switching off lights and computers after work), efficient water use, reducing paper use and achieving waste at the office to aid proper disposal of waste and recycling efforts.

The company is working on implementing measures to reduce the energy and resource consumption at our offices. Additionally, the company will begin recording air travel miles undertaken by our staff to calculate the company's carbon footprint from air travel with a goal of reviewing measures to reduce it.

Resource	Office					
	KL	Miri	Labuan	Kemaman	Singapore	Total
Electricity (kWh)	363,470	224,947	42,982	291,259	58,704	981,362
Water ('000 L)	N/A	617	500	371	394	1882
Paper (by reams)	5200	1215	N/A	N/A	500	7835

For 2009, our total Malaysian onshore electricity consumption was close to one million kWh; equivalent to 9000 tonnes of CO<sup>2</sup> [1]. Our goal next year would be to include data from our international offices while also attempting inclusion of our carbon footprint from other forms of travel, while also concurrently implementing targets and measures to reduce our energy and resource consumption.

[1] CO<sup>2</sup> emissions in pounds = air miles travelled per year x (average direct emissions per air mile x indirect well-to-pump factor x indirect atmospheric radiative forcing factor) x gram to pound conversion

Average emissions per mile = 223

Indirect well-to-pump factor = 1.2

Indirect atmospheric radiative forcing factor = 1.9

Gram to pound conversion = 0.0022

## **SECURITY**

As we operate in several high risk countries in Africa and Asia, we are aware of the need to protect its people, assets and the integrity of its operations in these locations. To this end, BAB has appointed an international security consultant, to work with its own HSSE team to carry out a risk assessment of its operations and facilities, onshore as well as off shore, with a view to addressing risks and developing a crisis management framework. In line with their recommendations, we now have a dedicated Risk Management and Security Department to focus on addressing security risks.

# HUMAN RIGHTS AND LABOUR PRACTICES

At Bumi Amada, we respect local labour regulations and ensure compliance with statutory requirements of the labour laws in all the countries that we operate in. The company employs more than 1600 employees who come from over 20 nationalities; bringing their extensive experience and expertise to bear along with cultural diversity that adds value to the internationalization of our company.



Our 400 shore staff are on permanent or contract basis and 1200 sea-going staff on a contract basis based in South East Asia, Congo, India, Mexico, Nigeria, Venezuela and Turkmenistan. At our company, we believe our people are our most important asset. We are committed to taking care of our people, training and development in accordance to our core value of “People Development”.

Bumi Amada’s human resources policy is built around the ambit of the Employment Act 1955 and regularly reviewed to keep abreast of current law. The terms and conditions of the company provide equal gender opportunity, employ local talent, equitable reward management, career progression plans, and competitive terms which supersede the minimum terms provided in the Act.

Although there is no union representation, the company provides an environment for positive staff engagement processes through the core values which are enshrined in every business decision and action relating to employees. Grievances are dealt with and there is a fair process for conflict resolutions.

Appropriate insurance plans and cover are subscribed for all employees. The insurance benefits cover personal accident and term life for 24 hours as opposed to regulation minimum requirements of coverage to and from work.

Our company adopts a pay philosophy to ensure equitable remuneration. To ensure competitiveness, the company also subscribes to remuneration surveys with similar industries. All employee data are stored within the appropriate archiving procedures in a human resources information system record management. We ensures that all employees pay their personal income tax through monthly deduction and remittance accordingly.

## HUMAN RIGHTS AND LABOUR PRACTICES

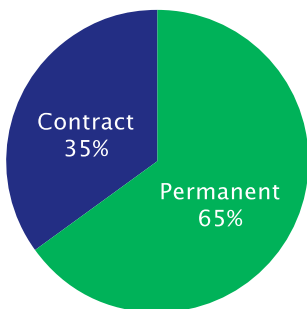


### Workforce Breakdown

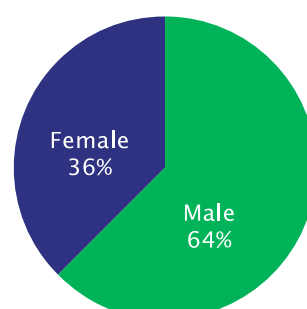
Of the 400 shore staff, 65% of all the employees are on a permanent basis. One of the realities of being in the offshore industry is that a lot of the offshore staff join on a contractual basis. This enables them to achieve a kind of balance where they devote part of the year to their duties and part of the year to their families. 82% of those employed are locals, while 56% of the remaining expatriate employees are of other Asian origin. The goal is to recruit local talent as much as possible. The company carries this same philosophy of using local content and bringing employment opportunities to the communities where it operates.

Almost 40% of the employees are in their 30s. The percent of employees in their 20s and those in their 40s are roughly equal at 24% each. 80% of the total workforce are employed in projects, with the rest providing support services to the project teams. Even though 64% of the workforce are male, we are an equal opportunity employer that strives to employ both men and women based on their skills and talent. About 45% of those employed are executives, and 27% are in management roles. Senior management constitutes 10% of the total workforce, with the rest comprising those employed in non-executive roles.

**EMPLOYMENT TYPE**



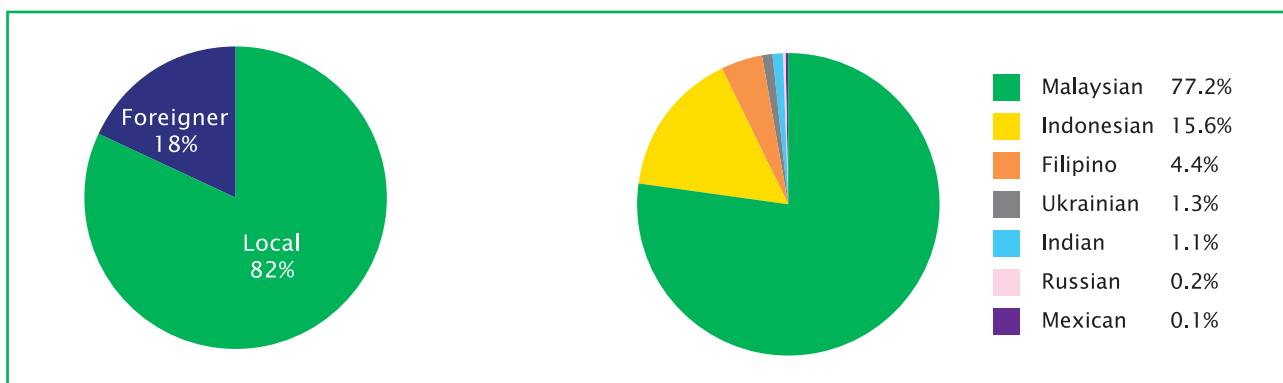
**GENDER**





**TYPE**

**OFFSHORE MANPOWER BY NATIONALITIES 2009**



**Conditions of Work**

We believe all our workers should enjoy a good work-life balance. We allow a certain amount of flexibility among employees in arranging their work timings according to their personal commitments. The company encourages employees to follow a healthy lifestyle by offering corporate gym memberships. In addition to this, the company also offers a range of medical and insurance benefits and other allowances to its employees.

Employee surveys are a great way to understand their perceptions about the company, its work environment, their needs, as well as identify issues. Their feedback is important to help the company map its initiatives moving forward and as such, we conduct an annual Climate Survey to gain a fresh perspective from our employees.

Based on a response garnered from 75% of the total surveyed it was determined that 70% of the respondents were satisfied with the values of the company – up 5% since 2007.

**Rewards and Benefits**

We aim to support our employees by rewarding them both financially directly or indirectly at a level that is at least at par and mostly above, the general level of pay across the overall Malaysian industrial sector. We have a fair pay and non-discriminatory policy for men and women.

Over the years, we have increased the level of non-salary related rewards and currently, we provided a total of 22 additional benefits, out of which 18 apply to the majority of our employees.

Over the last three years employees’ total rewards and benefits have been significantly enhanced in line with their contribution to the company’s increased turnover and profits. Both financial and non-financial benefits have been increased and coverage across employees has also been extended.

## HUMAN RIGHTS AND LABOUR PRACTICES

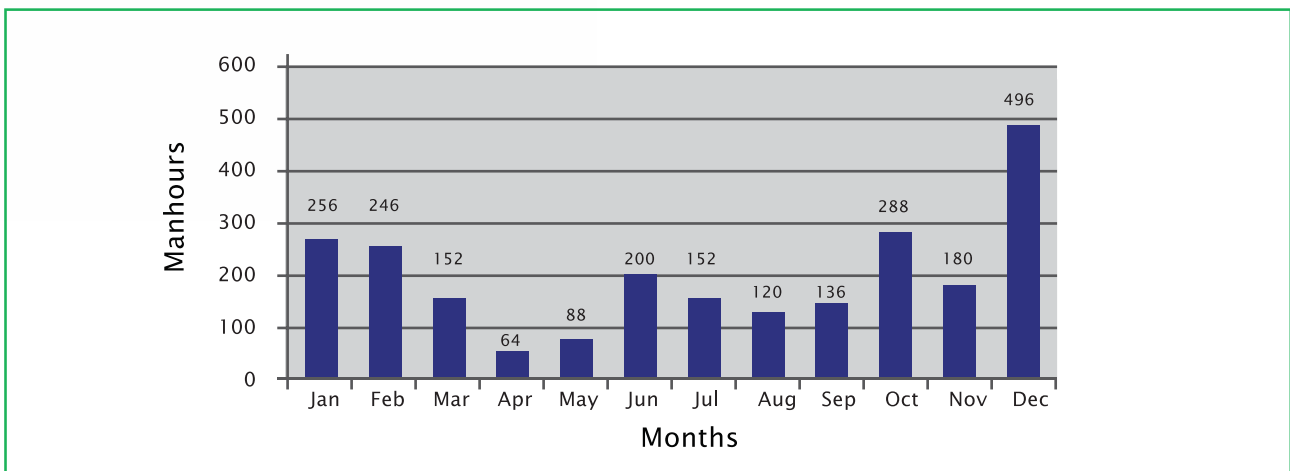
In line with our efforts to be an employer-of-choice, we employ an independent consultant to conduct a five-yearly industry benchmarking exercise. We are proud that monetary rewards to our employees, in the form of salaries and wages, are now above the industry average and that we are a leader in providing other benefits that are also above industry and national levels.



### Training and Education

The company is an expanding organization and is committed to employing talented professionals. Bumi Armada is committed to retaining its employees and is progressing efforts to train and advance the skills of existing employees as well as new recruits. The table overlay displays the training manhours for the year 2009.

#### TRAINING MANHOURS FOR 2009



Bumi Amada Berhad maintained its intake of employees through the 2009 financial crisis thus demonstrating its commitment to the local community by providing not just employment but employment security as well. Young graduates benefited most with 20 positions filled in 2009 alone.

Employee assistance is also available for those who wish to gain international experience by providing the option for them to move to one of its international locations. This not only helps the company streamline its operations in these locations in line with its operational policy with talented staff but it also helps staff gain valuable experience that ties in with their career development goals.

The company has sought to address the paucity of skills in the marine sector by facilitating the training of marine officers with state-of-the-art techniques. The company had pioneered DP training and sponsors DP training at the Malaysian Maritime Academy (ALAM) and recruits people who have completed the appropriate training and are certified as competent to practice as DP Officers by the Nautical Institute (UK). We currently have 12 DPOs who graduated from ALAM and 13 more will be added once they complete their sea time. This also ties in with BAB's commitment to attract and retain talented personnel and ensuring sustainability in its recruitment policies.



### **Key Strategies and Initiatives**

As it is a company that is growing in its international presence, Bumi Amada is working on aligning its Human Resource policies and strategies accordingly. These include providing salary and compensation according to international standards, following local regulations in all the countries it operates in, facilitating cultural adaptation and integration in its multicultural and multinational workforce and taking steps to ensure diversity, inclusiveness and eliminate any form of discrimination.

In addition, our Human Resource Department places great importance on the hiring and development of local talent in all the countries it operates in. It also seeks to ensure sustainability in recruitment and HR policy by giving preference to internal candidates for career progression.

We have identified our future training needs and are addressing those needs by providing a training plan. Also a key part of training is indoctrinating the employees in our company work ethics and codes of conduct. We are also reviewing and addressing the need to build a performance-based culture by instituting rewards linked to performance and behaviour.

# ETHICAL OPERATIONS

## **Ethical Behaviour**

Bumi Amada Berhad is committed to ensuring that it operates responsibly and with integrity in all its locations of operation. In the international arena, our company operates with local JV partners to ensure superior and seamless compliance with local laws and regulations and better service provision in the local context. It also ensures the hiring of local talent as much as possible.

With regard to this, the company has a Code of Ethics which lays down guidelines towards building an organization of Trust, both individually and collectively. The Code of Ethics is broad in its scope of applicability – covering all the employees of BAB Group and its competitors, contractors, suppliers and customers. The Code sets out guidelines for compliance with the law, integrity in business dealings, record keeping and on illegal and questionable payments. The Code also governs the ethics of gifts and entertainment by employees.

In addition, the company espouses whistle-blowing culture as part of its corporate governance, in line with the ISO 26000 guidelines on Ethical Behaviour. This can be evidenced by its Whistle-Blowing Policy which refers to the disclosure of relevant information internally or externally by employees who have encountered malpractices as well as illegal acts or omission at work within the company. This policy provides employees with a secure channel of reporting impropriety in the knowledge that the matter will be treated confidentially. The aim is to achieve the highest possible standards of corporate governance and ethical performance.

## **Stakeholder Relationships**

In every location, there are stakeholders comprising employees, management, local partners, business associates as well as local authorities and NGOs. We believe it is important to engage the various stakeholders in dialogue which provides a basis for long term and mutually beneficial relationship. Townhalls are held regularly in Malaysia and Singapore to communicate with employees and local management and to listen to their feedback. This is an initiative which we intend to take to offices outside Malaysia in 2010.

In terms of local partners, customers and business associates, the management individual office and shore bases, as well as Business Unit heads in the company regularly interface with them. Shell Malaysia and Keppel Shipyard are examples of associates that we work closely with especially in the area of HSE; through joint workshops, exhibitions and other activities to exchange views and to advance our joint goals.

In Malaysia, we have engaged the Marine Department, the local regulator, in discussions and invited them to address our ship captains and leadership on regulations. We have shared our DP experience with them and offered them vessel visits.

Where suppliers are concerned, the company has proactively engaged them; involved them right from the beginning in the design and engineering of our equipment, and developed a base of reliable suppliers whom we work with long term. This relationship has served both parties well especially in the hot market of early 2009, which turned into a vicious financial crunch later in the year.

Stakeholder relationships are important for a socially responsible company that has international operations. It allows a company like ours to share our vision and share in growth for mutual benefit. We acknowledge that our activities are only in its infancy stage and believe that we have more work to do in this area.

# COMMUNITY ENGAGEMENTS

Wherever we operate, we strive to maximise local content which benefits local communities in the long run. The most sustainable method for improving social and economic well being of a community is to provide jobs, skills and training and through the establishment of an office or shore base. This facilitates use of local resources and services like vessel maintenance, catering and procurement. Where expertise is not available, we bring in the resources to train and build that capability locally.

In our home base in Malaysia, priority is given to Malaysians for jobs. In building capacity, we have initiated cadet training programmes, crew training development as well as graduate trainee programmes. We gave a Malaysian shipyard the opportunity to build a DP vessel and followed that by initiating the country's first DP training programme at ALAM.

Many peripheral industries such as local fabrication yards and equipment suppliers have benefited from our vessel operations and major projects like the FPSO and barge construction.

As we expand and enter emerging markets, we are conscious that we have a responsibility to ensure that our activities have a positive impact on the local environment and communities. In our largest market outside Malaysia – Nigeria – we have also selected and trained 60 and 80 Nigerians to man our two FPSOs – Armada Perkasa and Armada Perdana respectively. With 7 OSVs now working in the area, we continue to work with our local partner to ensure a pipeline of trained Nigerians. By sending our own Finance, IT and HSSE employees to Nigeria to set up the latest systems and mentor local hires, we now have a capable team of Nigerians to support our growth there.

The company also encourages employee volunteerism and this has become the driving force for charitable work and community service. Following are some examples of these charitable and community activities which are broadly built around education, health and skills acquisition.

## **In Kuala Lumpur, Malaysia**

At its headquarters in Kuala Lumpur, Malaysia, "Rafflesia" – an informal group of Bumi Armada employees – works on projects that benefit the company and the community as well as themselves. The first community service activity for Rafflesia was a visit to Rumah Nur Salam – a community centre for underprivileged street kids in the Jalan Chow Kit area in Kuala Lumpur – in July 2008. They organized games for the children as well as lunch. Cash donations were made by staff and management. This event started the ball rolling on community service in the company.

In April 2009, a visit to a children's home – the Agathians' Shelter was arranged by Rafflesia. The shelter housed boys who had been abandoned, neglected, orphaned or abused. This exercise was a continuation of the company's initiative to develop a caring community among its employees.

In December 2009, a home for abandoned, neglected and abused children in Kajang – Rumah Keluarga Kami – was chosen. A fun day was organised for the kids and each of the children was presented with items needed for school such as school bags, uniform and school shoes.

## COMMUNITY ENGAGEMENTS

Not only was the number of participating staff members increasing steadily, staff donations had been steadily increasing through the year. Donations in December were significantly larger than any made before and surplus funds were donated to Rumah Nur Salam and the Agathians Shelter – the two children's homes the staff had visited earlier in 2009.



To offset the shortage of trained mariners, Bumi Amada Berhad offered scholarships to 55 young Malaysian male students originating from East and West Malaysia. The scholarships were offered to students that had successfully undergone stringent pre-selection tests and interviews and had passed pre-entry physicals as well as written and psychometric tests conducted by the Malaysian Maritime Academy (ALAM). Five of the cadets will study at the Sarawak Maritime Academy, while the rest will study at ALAM.



The scholarships offered were for Diploma in Nautical Studies (DNS) and Diploma in Marine Engineering (DME), which are particularly important for the development of nautical and engine officers. The scholarship would cover a monthly allowance, food, lodging, uniforms, books and tuition fees. The cadets will undergo 3 years of studies which include a year of sea-phase training. These cadets will be offered employment opportunities with Bumi Amada once they pass their examinations and obtain relevant certification.

### **In Kemaman, Terengganu, Malaysia**

Community service is also a serious commitment for our regional offices. The Kemaman office organized a community service activity on November 2008 as a bond-building exercise with the local community. They selected a home for senior citizens with chronic illnesses, Rumah Ehsan, which is located in Durian Mas Hulu Dungun. The home provides food, medication and other needs for 109 occupants between the age group 50 to 104 years old. Our employees made generous contributions both in cash and kind towards medical supplies and personal items for the elderly. In December 2009, the Kemaman office organized another visit to a different old folks' home.

### **In East Malaysia**

The employees based in the Miri office chose to help a local school, SK Rancangan Sepupok, Niah which they had first visited in August 2008. The school had no water supply (they depended on rainy days), the kids bathed at the pond. Toilets, the washroom, dorms, and classrooms were all in bad condition. This was remedied by displaying all photos of the school at the office reception area together with two donation boxes. The donations were used to cover selective remodelling and necessary improvements. This was followed by another visit in December 2009, to assess what further improvements were necessary and look to providing a more comfortable study environment and quality of life to the kids at the school. The school was provided with desktop computers.



## COMMUNITY ENGAGEMENTS

### In Southeast Asia

In Singapore, the company elected to sponsor a sports team – the International Soccer Academy. The Academy offers opportunities to children and young adults to enhance their sports skills in soccer, basketball, running, fitness and weight training. It offers a unique platform to showcase those skills and provide professional opportunities for talented individuals.



In Vietnam, the company together with its partner, Vietsovpetro presented a contribution of USD7,000 worth of scholarships for ten final year students of the Petrovietnam Manpower Training College and USD9,000 for charitable causes to the Ho Chi Minh City Vocational Center for Orphans and Disability.







### **In Nigeria**

Since 2007, the company has implemented a series of community initiatives through its joint venture partner – Century Energy Services Ltd. (CESL). Early initiatives include Edo State Community Projects. In the Oriomwon local government area (LGA) of Edo State, we supported the building of Ugbighele Primary School by donating to the building fund in the first quarter of 2008. In the same rural community, we supported the Sea Petroleum and Gas (SPG) Ltd. life skills acquisition centre, which provides women an opportunity to learn life skills such as tailoring, hair dressing and soap making.

Education is an important foundation for the development and well being of any society. We started supporting educational causes in 2007. We sponsored the 2007 Miss Niger Delta Pageant, where the winner plays a big role in community development and early education programs during her one year reign. The winner that year, Pamela King, distributed educational materials donated by our company to twelve primary schools in the Okpokuma, Kaiama and Odi communities in Kolokuma and Okpokuma LGA in Bayelsa State; ultimately benefitting 1800 students.

We are also working to directly help improve educational standards in four schools in two coastal communities in Eastern Obolo LGA of Akwa Ibom State. The project was aimed at enhancing and promoting high standards of education in these communities through the distribution of basic educational materials such as writing books, dictionaries, bibles, school bags and so on. The company also supported the renovation of a classroom block in July 2009.



Scholarships to Niger Delta youths in primary, secondary and higher institutions are also important elements to our community activities. Scholarships were awarded to 16 Niger Delta youths in the STCW Training, a marine mandatory course to help reposition the youths for job opportunities in the marine sector. The plan is to increase the number of youths to be trained in 2010 by 50%.

Supporting local culture and traditions is another element of our community work in Nigeria. We sponsored a local festival called “Ogori Ba Uge” in Odi, a predominantly Ijaw town in Bayelsa State as a way of preserving their culture. Several other communities in Yenegoa, Port Harcourt and Eastern Obolo were also provided with support. Christmas donations were made to the Asam Bush Landlords, Emeroeke Community, Eligbam/Rumudaolu and Rumukwursi Communities. Additionally, the company supported the building of the Town Hall in Oromerezimbgwu Community by providing cash donations for the purchase of building materials.

Providing assistance in terms of food, basic needs and cash donations to the underprivileged such as abandoned children is another area of support. An example is the Motherless Babies Home in Lekki, Lagos which brings hope, care and a second chance in life to the children and babies resident there. Additionally, contributions were made to a refugee camp in July 2009, which in a modest way, resulted in some improvements in their standard of living.

# CONCLUSION AND OUTLOOK FOR 2010



This report which provides a snapshot of our activities is our starting point for improvements moving forward.

A CSR policy is in place and all our staff, from management to employees and the crew offshore, are being encouraged to take into consideration sustainability measures in all current and future actions. A plan is in place to ensure our employees maintain their enthusiasm and act as a constant reminder of the implications of our business.

Moving ahead into the next year, we have to set prioritised as initiatives require commitment in terms of time and effort as well as financial commitment. Our objective for 2010 is to set simple targets and initiatives around the major parts of our business operations as outlined below:

## OSVs

All the engines in our fleet of vessels built after Jan 2000 comply with the “MARPOL VI regulation 13” for NOx emissions, while engines built before Jan 2000 were exempted from compliance as stipulated by the rules.

Our vessels emit significantly less than 4.5% sulphur as stipulated by “MARPOL VI regulation 14”, with our engines running on light diesel oil containing less than 1% sulphur.

From the operational standpoint, a campaign was initiated by management to spread greater awareness of climate change and environmental sensitivity among offshore staff. A video of “An Inconvenient Truth” was shared with them.

For the longer term, we are pursuing studies on reduction in fuel usage as well as engine combustion emissions for our fleet of OSVs. This includes options such as conversion to more efficient fuels, optimizing operational efficiency and installing devices to monitor engine emissions and contribute to greater engine efficiency.

In the planning and design of new vessels in the future, we will look at incorporating cutting edge designs, technologies and capabilities that will give our vessels optimum operational flexibility, good fuel economy and low emissions.

## FPSO Segment

With regard to our two FPSOs in Nigeria, we will continue to look for improvements in energy usage, as well as better management of solid waste on board.

On the conversion of the third FPSO, we are exploring design, engineering and process changes that will give improved performance in emissions, energy and fuel consumption. A few of these design recommendations are being implemented on our next FPSO that is intended for Vietnam.

For future FPSOs, our team is working on a white paper for a ‘Green FPSO’ that details strategic elements that could be implemented to minimize its impact on the environment by reducing all associated environmental emissions, noise pollution while optimizing energy and fuel efficiency.

## **On-shore**

For our onshore facilities comprising offices and shore bases, we will rollout a programme in Malaysia that targets a 5% reduction in electricity, water and paper use as well as better waste management.

For locations outside Malaysia, we are implementing a tracking system to obtain usage data for energy, water and air travel.

To mitigate the 2,100 tonnes of CO2 from air travel, we will look at ways to reduce travel and use teleconferencing where possible. One of our key initiatives moving forward would be to explore investment in video conferencing capability in all our facilities. We will explore an investment in tele- and video conferencing equipment in all our facilities to help reduce the need for air travel.

Three other key areas of focus will be HSSE programmes where we will continue to drive awareness and maintain our performance; People Development and Wellbeing initiatives as well as broader reach within the communities we work in.

Overall, we have to put in place more procedures and processes to monitor and track relevant data for better reporting in the future; this alone is a massive exercise given the complexity of our business, both in terms of assets and geographical reach.

With these small steps, our journey has begun.

*“The journey of a thousand miles begins with one step”  
Lao Tzu*

# NOTE ON THE COMPILATION AND REPORTING OF GRI INDICATORS

The compilation and presentation of the Corporate Sustainability Report and accompanying data has been guided by the GRI-G3 Guidelines. We have considered the limitations in the availability of data in the case where stakeholders cannot be involved or where we did not have sufficient reportable information. Our Corporate Sustainability Report 2009 is our first report of this type and we tried our best to ensure on disclosure and reporting of as much information we have available during the review period. Where there are gaps in the data, we have classified these as “partially reported” or “not reported”. These are especially in the Environmental section of the Report, as we are still in the process of implementing systems to monitor the indicators in these domains. We are not able to report fully on the following specific areas of Labour Practices and Decent Work (LA3, LA4, LA14) and Environment (EN21, EN22) as we do not have sufficient supporting data on these cases. We will continue to improve our data collection system and we hope to make this information available in our next report. The development of these systems is given priority in our 2010-2011 Company Agenda. We expect to be able to provide more comprehensive information and transparent reporting after these processes have been fully implemented. We have not reported on Economic (EC1, EC2, EC4, EC6); Employment (LA2, LA5, LA6, LA8, LA9, LA12); Human Rights (HR2, HR3, HR6, HR7, HR8, HR9); Society (SO3, SO6, SO7); Product Safety (PR8); and Environment (EN1, EN2, EN9, EN10, EN18, EN19, EN20, EN25, EN30) since we have not been able to gather the data yet for this stage being the first round of reporting. We have submitted these issues to the management and where appropriate and feasible, we aim to make them available in our next Report. Elements on Products and Services Labelling (PR3-PR5); Marketing Communications (PR6, PR7); Biodiversity (EN11-EN15); Products and Packaging (EN27) and Impacts on Transporting Products (EN29) are not disclosed as they are not considered to be material to our nature of business as an operator in offshore and marine services. In cases where we are not able to provide detailed figures, we have included aggregate information which we consider to be the most material for the Company and representative of our approach.

We have aimed to deliver as comprehensive a report as possible, based on data availability and stakeholder considerations. The Company has provided a Disclosure on Management Approach (DMA) in each of the categories and profile disclosures as specified by the GRI. We are able to provide full or partial data on 70 Core Indicators and 9 Additional indicators. We are unable to provide information on 20 Core Indicators for the reasons discussed above. We believe the remaining indicators do not influence the overall CSR assessment of the company.

# GRI CONTEXT INDEX

GRI Reporting Area	Core	Additional	Status
<b>Profile Disclosures</b>			
Strategy and Analysis	2	-	All Reported
Organisational Profile	10	-	All Reported
Report Profile	4	-	All Reported
Report Scope and Boundary	7	-	All Reported
GRI Context Index	1	-	All Reported
Assurance Statement		-	All Reported
Governance	10	-	All Reported
Commitments to External Initiatives	3	-	All Reported
Stakeholder Engagement	4	-	All Reported
			<b>All Reported</b>
<b>DMA and Performance Indicators</b>			
Economic	3/7	2	Reported
Social Performance : Labour Practices & Decent Work	6/9	2/5	Reported
Social Performance : Human Rights	3/6	0/3	Reported
Social Performance : Society	5/6	0/2	Reported
Social Performance : Product Safety	2/4	1/5	Reported
Environmental	10/17	4/13	Reported
<b>TOTAL</b>	<b>70</b>	<b>9</b>	

# PROFILE DISCLOSURES

**Section** : CB – Corporate Brochure ; FC – Front Cover ; BC – Back Cover

**Application** : C – Core; A – Additional

**Status** : ■ Fully Reported; □ Partially Reported; x Not Reported; Ø Not Material

Profile Disclosures		Status
<b>Strategy and Analysis</b>		
1.1 Company CEO's Statement	P5	■
1.2 Description of key impacts, risks and opportunities	P5, P33-34	■
<b>Organisational Profile</b>		
2.1 Name of the organisation	FC	■
2.2 Primary brands, products and/or services	P2	■
2.3 Operational structure of the organisation	P2	■
2.4 Location of organisation's headquarters	P3	■
2.5 Number of countries where the organisation operates	P3	■
2.6 Nature of ownership and legal form	P3, P5	■
2.7 Markets served	P3	■
2.8 Scale of the reporting organisation	P3	■
2.9 Significant changes during the reporting period	P7	■
2.10 Awards received in the reporting period	CB(21)	■
<b>Report Profile</b>		
3.1 Reporting period for information provided	P7	■
3.2 Date of most recent previous report	P7	■
3.3 Reporting cycle	P7	■
3.4 Contact point for questions regarding the report or its contents	BC	■
<b>Report Scope and Boundary</b>		
3.5 Process for defining report content	P7	■
3.6 Boundary of the report	P7	■
3.7 Specific limitations on the scope or boundary of the report	P7	■
3.8 Basis for reporting on joint ventures, subsidiaries etc	P7	■
3.9 Data measurement techniques and the basis of calculations	P11, P13-14, P19	■
3.10 Explanation of the effect of any re-statement of information	P7, P35	■
3.11 Significant changes from previous reporting periods	P7, P35	■
<b>GRI Content Index</b>		
3.12 Table identifying the location of the Standard Disclosures	P36	■
<b>Assurance</b>		
Policy and current practice on external assurance		■
<b>Governance</b>		
4.1 Governance structure of the organisation	P8	■
4.2 Status of the Chair of the Board	P8	■
4.3 Independent and/or non-executive Board members	P8	■
4.4 Mechanisms to provide advice to the Board	P8	■
4.5 Link between compensation and performance of the Board	P8	■
4.6 Avoiding conflicts of interest	P8, P21, P26	■
4.7 Qualifications and expertise of the Board	P8	■
4.8 Mission or values, codes of conduct and principles	P4	■
4.9 Management of CR performance	P6, P9	■
4.10 Evaluating the performance of the Board	P8	■
<b>Commitments to External Initiatives</b>		
4.11 Addressing the precautionary approach or principle	P13, P16, P20	■
4.12 External CR principles	P9, P15	■
4.13 Memberships of associations	P9, P15	■
<b>Stakeholder Engagement</b>		
4.14 List of stakeholder groups engaged by the organisation	P26	■
4.15 Basis for identification and selection of stakeholders	P26	■
4.16 Approaches to stakeholder engagement	P26	■
4.17 Key topics and concerns by raised by stakeholders	P26	■

# DMA AND PERFORMANCE DATA

**Section** : CB – Corporate Brochure ; FC – Front Cover ; BC – Back Cover

**Application** : C – Core; A – Additional

**Status** : ■ Fully Reported; □ Partially Reported; x Not Reported; ∅ Not Material

		Section	Status	Reason for Omission	
<b>ECONOMIC Disclosure on Management Approach</b>		P23, P27-32			
<b>Economic Performance</b>					
EC1	Economic value generated and distributed	C	-	X	As a private company some of this data may not be shared and where appropriate, we will make them available in our next Report.
EC2	Risks and opportunities due to climate change	C	-	X	This is a broad subject that requires considerable research and analysis as well as relevant expertise to address. It is a subject that Management will address in the mid to long term.
EC3	Coverage of the defined benefit plan obligations	C	P23-24	■	
EC4	Significant financial assistance from government	C	-	X	This information was not available at this stage and we hope to be able to address this item in the mid to long term.
<b>Market Presence</b>					
EC5	Standard entry level wage vs. local minimum wage	A	P23-24	■	
EC6	Spending on locally-based suppliers	C	-	X	We have not been able to gather the data yet for this stage being the first round of reporting. We have submitted these issues to the management, we aim to make them available in our next Report where appropriate and visible.
EC7	Local hiring policies	C	P21, P27	■	
<b>Indirect Economic Impacts</b>					
EC8	Investments and services primarily for public benefit	C	P27-32	■	
EC9	Indirect economic impacts	A	P27-32	■	
<b>SOCIAL PERFORMANCE: SOCIAL PRACTICES AND DECENT WORK Disclosure on Management Approach</b>		P13-14, P22-24			
<b>Employment</b>					
LA1	Employment type, employment contract, and region	C	P22-23	■	
LA2	Employee turnover by age group, gender, and region	C	-	X	We have not been able to gather the data yet for this stage being the first round of reporting. We have submitted these issues to the management, we aim to make them available in our next Report where appropriate and visible.



			Section	Status	Reason for Omission
LA3	Benefits provided to full-time employees	A	P23-24	□	We were not able to obtain all the relevant data pertaining to this item for this Report. We will continue to improve our data collection system and we hope to make this information available in our next Report.
<b>Labour/Management Relations</b>					
LA4	Collective bargaining agreements	C	P21	□	There is no employee union and as such, no agreements in place. We do not have sufficient supporting data on these cases.
LA5	Notice period for operational change	C	-	X	We have not been able to gather the data yet for this stage being the first round of reporting. We aim to report on this aspect in the mid term.
<b>Occupational Safety and Health</b>					
LA6	% workforce represented in OSH committees	A	-	X	We have not been able to gather the data yet for this stage being the first round of reporting. We have submitted these issues to the management, we aim to make them available in our next Report where appropriate and visible.
LA7	OSH injury and accident statistics	C	P11, P13-14	▪	
LA8	Awareness training for serious diseases	C	-	X	We have not been able to gather the data yet for this stage being the first round of reporting. We have submitted these issues to the management, we aim to make them available in our next Report where appropriate and visible.
LA9	OSH topics covered in collective agreements	A	-	X	There is no employee union and as such, no collective agreements or its related topics are involved.
<b>Training and Education</b>					
LA10	Average hours of training per year per employee	C	P24	▪	
LA11	Skills management and lifelong learning	A	P24-25	▪	
LA12	% of employees with regular reviews	A	-	X	We have not been able to gather the data yet for this stage being the first round of reporting. We have submitted these issues to the management, we aim to make them available in our next Report where appropriate and visible.
<b>Diversity and Equal Opportunity</b>					
LA13	Indicators of employee and Board diversity	C	P8, P22-23	▪	
LA14	Basic salary men vs. women	C	P23-24	□	We do not have sufficient supporting data on these cases. We are unable to measure the salary comparison in ratio terms as yet. We will continue to improve our data collection system and we hope to make this information available in near term

			Section	Status	Reason for Omission
<b>SOCIAL PERFORMANCE: HUMAN RIGHTS</b>					
<b>Disclosure on Management Approach</b>			P21, P25		
<b>Investment and Procurement Practices</b>					
HR1	Agreements with human rights clauses or screening	C	P21	▪	
HR2	Human rights screening of suppliers and contractors	C	-	X	This is an enormous topic given the thousands of vendors in our supply chain. It is a topic that Management views seriously and which it will review and report on in the mid to long term.
HR3	Human rights training	A	-	X	We have not been able to gather the data yet for this stage being the first round of reporting. We aim to make them available in the mid to long term.
<b>Non-Discrimination</b>					
HR4	Incidents of discrimination and actions taken	C	P25	▪	
<b>Freedom of Association and Collective Bargaining</b>					
HR5	Risks to freedom of association and collective bargaining	C	P21	▪	
<b>Child Labour</b>					
HR6	Risk of incidents of child labour	C	-	X	We have not been able to gather the data yet for this stage being the first round of reporting. We aim to review this indicator and to report on it in the mid to long term.
<b>Forced and Compulsory Labour</b>					
HR7	Risk of incidents of forced or compulsory labour	C	-	X	We have not been able to gather the data yet for this stage being the first round of reporting. We aim to review this indicator and to report on it in the mid to long term.
<b>Security Practices</b>					
HR8	Security personnel trained human rights issues	A	-	X	We have not been able to gather the data yet for this stage being the first round of reporting. We aim to review this indicator and to report on it in the mid to long term.
<b>Indigenous Rights</b>					
HR9	Violations involving rights of indigenous people	A	-	X	We have not been able to gather the data yet for this stage being the first round of reporting. We aim to review this indicator and to report on it in the mid to long term.
<b>SOCIAL PERFORMANCE: SOCIETY</b>					
<b>Disclosure on Management Approach</b>			P27-32		
<b>Community</b>					
SO1	Impacts of operations on communities	C	P27-32	▪	
<b>Corruption</b>					
SO2	Risks related to corruption	C	P26	▪	

		Section	Status	Reason for Omission
<b>SOCIAL PERFORMANCE: HUMAN RIGHTS</b>				
<b>Disclosure on Management Approach</b>			P21, P25	
<b>Investment and Procurement Practices</b>				
HR1	Agreements with human rights clauses or screening	C	P21	▪
HR2	Human rights screening of suppliers and contractors	C	-	X
HR3	Human rights training	A	-	X
<b>Non-Discrimination</b>				
HR4	Incidents of discrimination and actions taken	C	P25	▪
<b>Freedom of Association and Collective Bargaining</b>				
HR5	Risks to freedom of association and collective bargaining	C	P21	▪
<b>Child Labour</b>				
HR6	Risk of incidents of child labour	C	-	X
<b>Forced and Compulsory Labour</b>				
HR7	Risk of incidents of forced or compulsory labour	C	-	X
<b>Security Practices</b>				
HR8	Security personnel trained human rights issues	A	-	X
<b>Indigenous Rights</b>				
HR9	Violations involving rights of indigenous people	A	-	X
<b>SOCIAL PERFORMANCE: SOCIETY</b>				
<b>Disclosure on Management Approach</b>			P27-32	
<b>Community</b>				
SO1	Impacts of operations on communities	C	P27-32	▪
<b>Corruption</b>				
SO2	Risks related to corruption	C	P26	▪

			Section	Status	Reason for Omission
<b>Marketing Communications</b> PR6	Compliance in marketing, communications etc.	C	-	Ø	We do not consider this indicator to be material due to our nature of business as an operator in offshore and marine services. This indicator does not apply in our business operations.
PR7	Incidents of non-compliance	A	-	Ø	We do not consider this indicator to be material due to our nature of business as an operator in offshore and marine services. This indicator does not apply in our business operations.
<b>Customer Privacy</b> PR8	Substantiated complaints breaches of customer privacy	A	-	X	We have not been able to gather the data yet for this stage being the first round of reporting. We have submitted these issues to the management, we aim to make them available in our next Report where appropriate and visible.
<b>Compliance</b> PR9	Penalties for non-compliance of products and services	C	P9-10	▪	
<b>ENVIRONMENTAL Disclosure on Management Approach</b>			P15-19		
<b>Materials</b> EN1	Materials used by weight or volume	C	-	X	Given the nature of our business, this indicator presents a huge challenge to define the scope; take tremendous time and resources to address and obtain relevant and meaningful data. The Management will take this into consideration and we will report on this in the mid to long term.
EN2	% of input materials that are recycled	C	-	X	Given the nature of our business, this indicator presents a huge challenge to define the scope; take tremendous time and resources to address and obtain relevant and meaningful data. The Management will take this into consideration and we will report on this in the mid to long term.
<b>Energy</b> EN3	Direct energy consumption by primary source	C	P19	▪	
EN4	Indirect energy consumption by primary source	C	P19	▪	
EN5	Energy conservation and efficiency improvements	A	P19	▪	
EN6	Energy-efficient or renewable energy	A	P19	▪	
EN7	Reducing indirect energy consumption	A	P19	▪	
<b>Water</b> EN8	Total water withdrawal by source	C	P18-19	▪	

			Section	Status	Reason for Omission
EN9	Significant impact of withdrawal of water	A	-	X	Given the nature of our business, this indicator presents a huge challenge to define the scope; take tremendous time and resources to address and obtain relevant and meaningful data. The Management will take this into consideration and we will report on this in the mid to long term.
EN10	% and total volume of water recycled and reused	A	-	X	Given the nature of our business, this indicator presents a huge challenge to define the scope; take tremendous time and resources to address and obtain relevant and meaningful data. The Management will take this into consideration and we will report on this in the mid to long term.
<b>Biodiversity</b>					
EN11	Protected areas and areas of high biodiversity value	C	-	Ø	We do not consider this indicator to be material due to our nature of business as an operator in offshore and marine services. This indicator does not apply in our business operations.
EN12	Impact on biodiversity	C	-	Ø	We do not consider this indicator to be material due to our nature of business as an operator in offshore and marine services. This indicator does not apply in our business operations.
EN13	Habitats protected or restored	A	-	Ø	We do not consider this indicator to be material due to our nature of business as an operator in offshore and marine services. This indicator does not apply in our business operations.
EN14	Managing impacts on biodiversity	A	-	Ø	We do not consider this indicator to be material due to our nature of business as an operator in offshore and marine services. This indicator does not apply in our business operations.
EN15	Protected species with habitats in areas of operations	A	-	Ø	We do not consider this indicator to be material due to our nature of business as an operator in offshore and marine services. This indicator does not apply in our business operations.
<b>Emissions, Effluents, and Waste</b>					
EN16	Direct and indirect greenhouse gas emissions	C	P18	▪	
EN17	Other relevant indirect greenhouse gas emissions	C	P18	▪	
EN18	Greenhouse gas emissions and reductions achieved	A	-	X	Given the nature of our business, this indicator presents a huge challenge to define the scope; take tremendous time and resources to address and obtain relevant and meaningful data. The Management will take this into consideration and we will report on this in the long term.

			Section	Status	Reason for Omission
EN19	Emissions of ozone-depleting substances	C	-	X	Given the nature of our business, this indicator presents a huge challenge to define the scope; take tremendous time and resources to address and obtain relevant and meaningful data. The Management will take this into consideration and we will report on this in the long term.
EN20	NOx, SOx, and other significant air emissions	C	-	X	We have not been able to gather the data yet for this stage being the first round of reporting. We have submitted these issues to the management, we aim to report on them in the mid to long term.
EN21	Total water discharge by quality and destination	C	P19		We do not have sufficient supporting data on these cases. We will continue to improve our data collection system and we hope to make this information available in the mid to long term.
EN22	Total weight of waste by type and disposal method	C	P19		We do not have sufficient supporting data on these cases. We will continue to improve our data collection system and we hope to make this information available in the mid to long term.
EN23	Total number and volume of significant spills	C	P18	▪	
EN24	Transported hazardous waste	A	P18	▪	
EN25	Water bodies affected discharge and runoff	A	-	X	We have not been able to gather the data yet for this stage being the first round of reporting. We have submitted these issues to the management, we aim to report on them in the mid to long term.
<b>Products and Services</b>					
EN26	Environmental impacts of products and services	C	P18-19	▪	
EN27	% of products and packaging reclaimed	C	-	Ø	We do not consider this indicator to be material due to our nature of business as an operator in offshore and marine services. This indicator does not apply in our business operations.
<b>Compliance</b>					
EN28	Penalties for environmental non-compliance	C	P9-10, P15	▪	
<b>Transport</b>					
EN29	Environmental impacts of transporting products	A	-	Ø	We do not consider this indicator to be material due to our nature of business as an operator in offshore and marine services. This indicator does not apply in our business operations.
<b>Overall</b>					
EN30	Total environmental expenditures by type	A	-	X	Given the nature of our business, this indicator presents a huge challenge to define the scope; take tremendous time and resources to address and obtain relevant and meaningful data. The Management will take this into consideration and we will report on this in the mid to long term.

# ASSURANCE STATEMENT



## Introduction

OWW Consulting Sdn Bhd (OWW) is a specialist in Corporate Social Responsibility (CSR) and Socially Responsible Investment (SRI). We were engaged by Bumi Armada Berhad ("Bumi Armada") to provide assurance services for their Corporate Sustainability Report 2009 (the "Report"). This is the first year in which we have conducted assurance of Bumi Armada's Sustainability Report. The Report and its contents are the exclusive responsibility of Bumi Armada. Our responsibility is to perform limited assurance procedures over the Report and underlying processes within the scope set out below:

- Economic
- Social Performance: Labour Practices & Decent Work
- Social Performance: Human Rights
- Social Performance: Society
- Social Performance: Product Responsibility
- Environmental

In each case verification was conducted through low-level assurance via information provided by Bumi Armada. It is agreed that Bumi Armada expects to be able to provide a response to each of the GRI-G3 Guideline Protocols and to provide an A+ or Advanced Application Level which requires reporting on each of the GRI-G3 indicators, even if the report is an omission statement.

## Exclusions from the scope of our work

Excluded from the scope of our work is information relating to:

- Statements of commitment or intention to undertake action in the future;
- Statements of opinion, belief or aspiration;
- Information in internal or external documents referred to in the Report, except insofar as we have viewed their existence as part of the assurance process.

## Basis of our opinion

In conducting this engagement we have considered the principles of balance, comparability, accuracy, timeliness, clarity, relevance and reliability as in the Global Reporting Initiative (GRI) G3 Guidelines. We have also taken into account the principles of independence of assurance in the GRI-G3 Guidelines and have been mindful of the AA1000AS and the the International Standard on Assurance Engagements (ISAE 3000) although we have not been asked to apply these standards directly. We have conducted this engagement to provide a reasonable rather than an absolute level of assurance and we believe that the work conducted and described herein provides a reasonable basis for our conclusions.

## Our review included the following activities:

- Interviews and one-to one meetings with relevant internal stakeholders related to Bumi Armada activities, including Head of Departments, offshore and onshore employees,
- Documentary evidence was reviewed from communications meant for both internal and external circulation but emanating from within Bumi Armada. This comprised of manually generated internal reports, reports generated from internal specialist management information systems, performance data, internal policies, established codes of conduct, operating manual, corporate presentation, internal newsletters, and safety procedures of Bumi Armada;
- Observed related facilities and areas including notice boards, scaled models and management office;
- A review of figures for all direct and indirect greenhouse gas (CO<sub>2</sub>) emissions and reductions (EN16 and EN17) to ascertain the accuracy of the calculation of the figures reported;
- Challenges to the CSR related statements and claims made in the Report.

During our investigation we discussed the necessary changes in the Report with Bumi Armada personnel and determined that these changes have been adequately incorporated into the final version. We relied on representations made to us during the course of our assurance work by Bumi Armada personnel. Information in the Report that is directly sourced from Bumi Armada Annual Reports is considered to be reliable based on the audit statement of the Independent Chartered Accountant and Registered Auditor to these statements.

We provided advice on which data is necessary and how this data should be compiled to comply with the GRI-G3 Guidelines. All data and corrections were provided directly by Bumi Armada staff. In the same reporting period we have not provided any other advisory or other work for Bumi Armada which may have been used in this report.



## Conclusions

1. In our opinion, the Report meets the content and quality requirements of the Global Reporting Initiative Sustainability Reporting Guidelines (Version G-3);
2. The Report provides a fair representation of Bumi Armada's social accounting and reporting activity for the period covered by the Report;
3. The information in the Report is reliable and free from significant bias;
4. Bumi Armada has processes in place for identifying, understanding and managing its environmental and social responsibilities and for capturing, understanding and responding to the views of its main stakeholders;
5. In our opinion the report contains new information in each domain which we believe is a fair and balanced reflection of the efforts of Bumi Armada to develop and improve their approach to sustainability and reporting. It has also reflects the Company's efforts to achieving better transparency, covering wider stakeholder groups.

## Recommendations:

In the context of future CSR Reporting at Bumi Armada, we recommend that the company:

- Continues to monitor the use of performance indicators across all areas of Corporate Sustainability including the Health, Safety, Security and Environment (HSSE), environmental impacts (flaring) and other compliances;
- Continues to improve the scope and quality of measurement and reporting of environmental and workplace data trends;
- Sets targets on all sustainability performances including GHG emissions, waste, water and energy consumption;
- Introduces clearer links between Corporate Sustainability issues and financial performance;
- Extends the use of impact measures such as Social Return on Investment (SROI) and introduces the use of Environmental Return on Investment (EROI);
- Implements alternative energy programmes and GHG reduction programmes to reduce overall GHG equivalent emissions from the 2009 baseline and to calculate the Company's footprint level;
- Enhances processes for the ongoing monitoring, measurement and reporting of Bumi Armada against material indicators and targets to demonstrate continuous commitment to the reporting process and responding to stakeholder interests

## Considerations and limitations

In relation to our assurance work and conclusions, the following considerations and limitations should be noted:

- Certain information is excluded from the scope of our assurance work, as stated above and in the Report itself;
- Due to its nature and the methods used for determining, calculating or estimating such data, environmental and social data are subject to inherent limitations. Therefore this assurance statement should not be relied upon to detect all errors, omissions or misstatements in the Report.
- The assurance statement cannot guarantee the quality of social accounting and reporting processes used by Bumi Armada.

14th September 2010  
OWW Consulting Sdn Bhd

Dr Geoffrey Williams  
**Chief Executive Officer**



## Statement by OWW Consulting Sdn Bhd on Independence, Objectivity and Capability

OWW Consulting Sdn Bhd (OWW) is a specialist in Corporate Social Responsibility (CSR) and Socially Responsible Investment (SRI) with established experience in providing independent CSR advisory, reporting and assurance services.

OWW Consulting has implemented a Code of Conduct in Assurance and Assessment and a Code of Ethics across our company. Our Code requires that that all of our employees maintain high ethical standards and makes explicit reference to the independence and objectivity of our assurance and assessment engagements which we believe conform to emerging international best practice.

Our assurance team conducting the work for this report have experience in conducting engagements of this type for sustainability reports, systems and processes. They are familiar with current guidelines and best practice and update their experience on a regular basis.





# BUMIARMADA

For more information on Bumi Armada,  
please refer to [www.bumiarmada.com](http://www.bumiarmada.com)

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