



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2021

2 PERFORMANCE REVIEW & IMPACT

2.1 PERFORMANCE REVIEW

This section gives an overview of SBM Offshore's performance on the Material Topics as presented in section 1.2.2, categorized in Optimize, Transform and Innovate sections, as visualized in section 1.3.2.

The execution of this work is delegated to the business and functions as mentioned in this section, with performance management supervised by the Management Board. For further details on governance, refer to chapter 3.

2.1.1 ETHICS & COMPLIANCE

MANAGEMENT APPROACH

In all communities in which SBM Offshore operates, SBM Offshore is committed to conducting its business honestly, ethically, and lawfully, which is vital to maintain the trust and confidence of stakeholders in SBM Offshore's long-term value creation. SBM Offshore does not tolerate bribery, corruption, fraud, or violations of trade sanctions, anti-money laundering or anti-competition laws, or any other illegal or unethical conduct in any form by anyone working for, or on behalf of, SBM Offshore.

All employees, and those working for or on behalf of SBM Offshore, must embrace and act in accordance with the core values of SBM Offshore (see section 1.3.1), the Code of Conduct and SBM Offshore's internal policies and procedures.

SBM Offshore fosters a culture of trust and fairness, where dilemmas are openly addressed. SBM Offshore's aim is to enable its employees and business partners to make the right decisions, with commitment to integrity at all levels. SBM Offshore is an active member of International Chambers of Commerce Nederland and Transparency International NL.

For further details on SBM Offshore's management approach, its purpose and its assessment, refer to sections 1.4.1, 3.6 and 3.6.2.

How SBM Offshore measures performance

SBM Offshore uses a single and integrated platform to manage compliance tasks. This platform is continuously improved and uses data to predict and avoid compliance risks. It allows SBM Offshore to standardize and automate processes where possible, aiming for a high level of quality, effectiveness, and efficiency.

The compliance platform includes the following tools:

- Compliance e-Learning, with training hours and completion ratio data available by employee target group.

- Automated continuous monitoring of third parties (due diligence process).
- Registration and approval of charitable contributions and sponsorships.
- Gifts, hospitality and entertainment registration and approval.
- Annual compliance statements of designated staff.

As part of performance management processes, SBM Offshore sets, monitors and reports on compliance KPIs. Integrated quarterly group risk and compliance reports are discussed with the Management Board and the Audit and Finance Committee of the Supervisory Board.

2021 PERFORMANCE

Notable developments and achievements in 2021

- CGU officially released SBM Offshore from reporting duties in Brazil, ending the monitoring period.
- Revamped Speak Up Policy and Speak Up Line.
- Team organized in accordance with business needs and priorities.
- Annual (virtual) training for all staff (including offshore).
- Tailored training for high-risk functions embedded in business programs.
- Expanded reach through nomination of offshore compliance ambassadors.
- Target group for annual compliance statement expanded to cover all onshore staff.

Metrics

The number of employees eligible to file the Annual Compliance Statement was in 2021 substantially higher than in 2020 (4,357 employees in 2021 versus 1,083 in 2020). The number of Compliance training courses completed in 2021 is substantially higher than in 2020 (11,011 training courses in 2021 versus 7,380 in 2020).

Annual Compliance Statements	Designated Staff ¹
Number of employees per year-end	4,357
Onshore Completion ratio	96%
Offshore Leadership Completion ratio	76%

¹ Designated Staff reflects all onshore staff and offshore leadership

Compulsory Compliance Tasks Completion ¹	All Staff
Number of employees per year-end	4,188
Onshore Completion ratio	96%
Offshore Leadership Completion ratio	79%
Offshore non-Leadership Completion ratio ²	40%

¹ Including Code of Conduct, theme based e-Learning courses and annual compliance statements

² New audience, completion ratio impacted by reachability, subject to continuous improvement

Overall number of Compliance Trainings conducted in 2021 worldwide

	Trainings	Training hours
Face to face trainings ¹	1,839	1,998
e-Learnings ²	9,172	6,804
Total	11,011	8,802

- 1 An employee can have attended multiple face to face trainings
- 2 An employee can have completed multiple Compliance e-Learning courses

Face to face training categories

	Trainings	Training hours
Annual Code of Conduct training	33	58
Targeted Compliance topic training ¹	1,713	1,851
Training of third parties ²	93	89
Total	1,839	1,998

- 1 Training on relevant Compliance topics for risk based target audiences
- 2 Mainly strategic vendors, contracted yards and manpower agencies

Speak Up Line reports

	Total
Reports received under SBM Offshore's Speak Up Policy	88

No confirmed instances of corruption occurred during 2021.

FUTURE

In 2022, SBM Offshore aims to continuously strengthen compliance management and control by focusing on the importance of the right behavior and through continuous alignment with business needs and priorities. SBM Offshore will continue to embed Compliance by:

- Promoting a speak up culture and responsible business conduct.
- Further developing digital tools.
- Increasing monitoring and reporting capabilities by progressing to data-driven compliance.
- Applying a risk-based approach to third-party screening.

2.1.2 EMPLOYEE HEALTH SAFETY & SECURITY

MANAGEMENT APPROACH

SBM Offshore is committed to safeguarding the health, safety and security of its employees, subcontractors and assets, as well as to minimizing the impact of SBM Offshore's activities on local ecosystems and proactively protecting the environment. SBM Offshore

applies controls and safeguards based on a lifecycle hazard management process and an integrated management system, the Global Enterprise Management System (GEMS), underpinned by SBM Offshore's Health, Safety, Security & Environment (HSSE) culture development program. In line with SBM Offshore's HSSE Human Rights and Process Safety Policy statement endorsed by the Management Board, SBM Offshore defines its HSSE requirements relative to its hazard exposure in compliance with applicable legal requirements and ISO standards, as well as international oil and gas practices.

SBM Offshore is continuing the journey towards Target Excellence (see section 2.1.3), with the objectives of No Harm, No Defects, No Leaks. For the No Harm goal, SBM Offshore expects employees and contractors to intervene on unsafe acts, unsafe situations and non-compliance with the Life Saving Rules, stop the work if they feel anything is unsafe and report any interventions and incidents. The Life365 program, an integral part of the Target Excellence journey, frames the development of the HSSE leadership and culture development in SBM Offshore.

SBM Offshore:

- Follows ISO17776 guidance on hazard management.
- Follows the best practices outlined in Center for Chemical Process Safety (CCPS) and Energy Institute (EI) guidance documents.
- Investigates incidents and identifies the immediate and root causes to prevent re-occurrence.
- Values proactive consultation and open communication with employees, encouraging participation in HSSE-related initiatives, campaigns and Life Day.
- Has a health-control framework, which includes a fitness-to-work process, medical check-ups, health surveillance and medical emergency arrangements.
- Provides HSSE training covering the full range of Company activities.

2021 PERFORMANCE

SBM Offshore assesses Company HSSE performance through a set of indicators. The following table provides the **targets** set for 2021 and the performance achieved: