



ANNUAL REPORT 2021

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:

2 PERFORMANCE REVIEW & IMPACT

Indicator	Target	Performance	Details
Total Recordable Injury Frequency Rate (TRIFR)	<0.18	0.06	Section 5.3
High-consequence work-related Injury Frequency Rate	na	0	Section 5.3
Tier 1 + Tier 2 PSE	< or equal to 3	4 ¹	Section 5.3
Occupational Illness Frequency Rate (OIFR) ²	na	0.00	Section 5.3
Security incidents ³	na	6	na

¹ E.g. relating to marine systems releases with no impact to HSSE

² For employees

³ None of these security incidents resulted in any actual injury or physical harm to SBM Offshore personnel

SBM Offshore continued to expand HSSE initiatives in 2021, including:

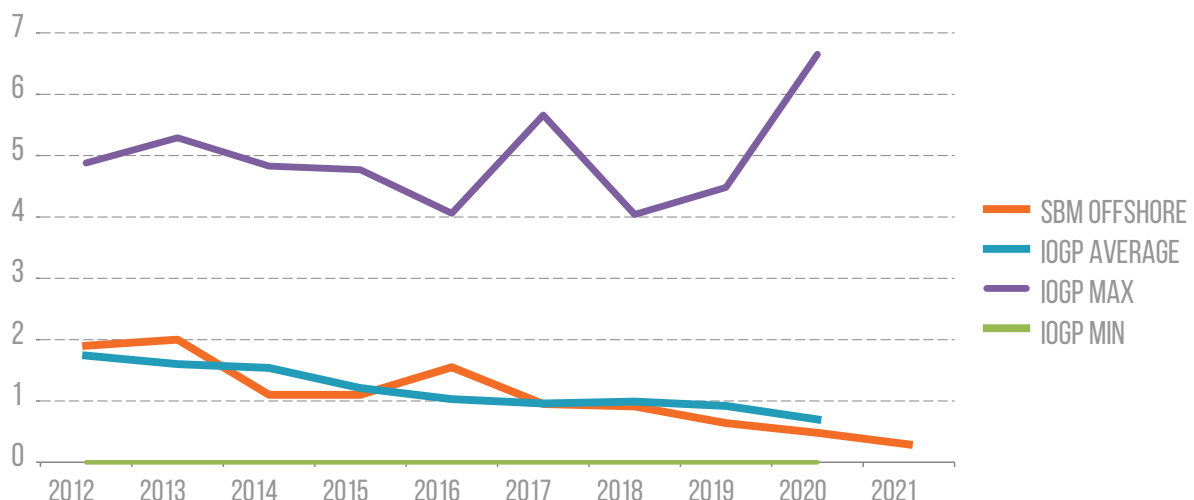
- Further rolling out the Hazards and Effects Management Process (HEMP) in operation and execution scopes, including standardization, as part of Fast4Ward®. The HEMP is the name of SBM Offshore's approach to manage the risk of Major Accident Hazards (MAHs) and their associated potential Major Accident Events (MAEs) associated with the operations of the fleet. The HEMP runs throughout the life cycle of an asset.
- Piloted the SBM Offshore live barrier project.
- Developed and began using the IFS Incident Management/Corrective Action Preventive Action (IM/CAPA) module to replace the Single Reporting System (SRS).
- Continued to manage the COVID-19 response worldwide effectively.

- Increased health and welfare awareness with a health-related program on specific topics.
- Maintained security controls on SBM Offshore's activities, and preparation of measures in a new country.
- Strengthened the ownership of safety culture among leaders and supervisors in projects and offshore operations.
- Organized the company-wide Life Day.
- Maintained compliance with certification requirements on shore bases and offshore units.

The following graph shows that SBM Offshore's Total Recordable Injury Frequency Rate has remained below the International Association of Oil and Gas Producers' (IOGP) average since 2018¹.

¹ For this graph normalized per 1 million exposure hours; includes IOGP Contributing Members (maximum, average, minimum)

TOTAL RECORDABLE INJURY FREQUENCY RATE (normalized per 1 million exposure hours)



FUTURE

SBM Offshore has defined the following 2022 targets:

- To achieve a TRIFR better than 0.15.
- To have fewer than 3 Tier 1&2 PSE.

SBM Offshore has planned the following key initiatives for 2022:

- Start rolling out the Serious Injury/Illness and Fatality (SIF) Prevention program.
- Continue rolling out HEMP in operation and execution scopes.

- Reinforce implementation of Process Safety Fundamentals (PSF) while preparing the transition to the recently issued IOGP PSF 2023.
- Maintain security controls on SBM Offshore's activities, and preparation of measures in a new country.
- Increase health and welfare awareness and health-related programs.
- Maintain compliance with certification requirements on shore bases and offshore units.
- Organize the company-wide Life Day.

2.1.3 HUMAN RIGHTS

MANAGEMENT APPROACH

SBM Offshore is committed to respecting human rights and conducting business in accordance with the United Nations Guiding Principles for Business and Human Rights (UNGPs). SBM Offshore is also committed to adhering to the Organization for Economic Co-operation and Development (OECD)'s Guidelines for Multinational Enterprises (MNE), of which human rights are an important element.

SBM Offshore's human rights commitments are embedded in SBM Offshore's corporate values, SBM Offshore's Code of Conduct, SBM Offshore's Policy on Health Safety, Security & Environment (HSSE), Human Rights and Process Safety and SBM Offshore's Human Rights Standards. These documents set out the commitments and principles to be upheld by SBM Offshore's employees, suppliers and partners.

Human Rights targets and performance align with SBM Offshore's adoption of the United Nations Sustainable Development Goals (SDGs) and in line with SBM Offshore's risk-appetite SBM Offshore's long-term target is to fully embed human rights and social performance within its business undertakings.

SBM Offshore's performance on human rights is monitored by the Human Rights Steering Committee. The steering committee comprises Management Board and Executive Committee members. During 2021, the steering committee met five times to consider key issues:

- The definition and endorsement of the Human Rights Program.
- The validation of SBM Offshore's Human Rights salient issues.
- Updates on the due diligence cycle, with identification of key focus points for resolution.

2021 PERFORMANCE

Due diligence

SBM Offshore's due diligence approach on human rights leads to an understanding of salient issues and recording them in a company-wide tool for continuous risk

management, mitigation and prevention. From the various due diligence activities undertaken, four salient issues have been defined. These are: Forced Labour; Overtime, Pay and Fines; Accommodations; and Mental Health & Well-being.

Screening as part of significant investments, e.g. yard and vendor qualification, resulted in the following key outcomes:

- 97% of a pool of high-risk vendors were screened, compared with a 90% target. Based on the outcome and previous screening activities, SBM Offshore follows up with supplier engagement for further understanding, education and potential termination of relationships or removal from qualification processes, where necessary.
- 99.5% of vendors signed the SBM Offshore Supply Chain Charter.
- SBM Offshore took further action to address human rights impacts defined earlier, for example, working with yards in China to remove fine-related deductions from workers' wages and improving on-site access to grievance mechanisms.
- SBM Offshore agreed upon a due diligence cycle for existing and new construction yards. To ensure progress in times of travel-restriction, SBM Offshore performed desktop screenings of those yards and additional prospective yards.
- On-site due diligence was carried out at a yard, led by a local SBM Offshore multi-disciplinary team, following the above-mentioned training.
- SBM Offshore completed the on-site assessment of a yard associated with decommissioning, finding an overall good performance. SBM Offshore is engaging on non-compliance related to overtime and wages, mainly driven by the nature of the work and local industry practice.

Grievance Mechanism

SBM Offshore's Speak Up policy forms the basis of an effective operational-level grievance mechanism. SBM Offshore's reporting channels and Speak Up Line enable the leadership to carefully listen to employees and partners in SBM Offshore's value chain about their concerns regarding human rights or other topics addressed in SBM Offshore's Code of Conduct. In 2021, SBM Offshore improved the accessibility of the Speak Up Line (see section 2.1.1.). An example of an allegation raised via the Speak Up Line related to the potential misuse of overtime in a yard location. SBM Offshore followed up with an internal investigation and issued management guidance to local yard operations.

Industry Collaboration

SBM Offshore teams up with others to make a meaningful contribution, with the following initiatives being key: