



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2021

2 PERFORMANCE REVIEW & IMPACT

- *Building Responsibly* – SBM Offshore is an active member of Building Responsibly, a group of leading engineering and construction companies working together to raise the bar in promoting the rights and welfare of workers across the industry. In 2021, SBM Offshore used the human rights questionnaire developed by Building Responsibly to screen suppliers.
- Outreach to clients, competitors and suppliers to ask for collaboration and support in addressing human rights issues.

Other developments

SBM Offshore expanded its reach by adding human rights resource capacity, both at group level and locally. A company-wide human rights e-Learning course was rolled out and completed by 94% of the targeted workforce. Senior management engagement work was carried out, to ensure the embedding of human rights targets and actions in the various parts of the business. Further embedding of human rights was achieved through inclusion of human-rights-related clauses in company contracts with business partners, including suppliers and yards.

COVID-19 Impact

SBM Offshore is aware of the COVID-19 impact on above areas and the limitations it brings to the due diligence process. The pandemic leads to potential risks to workers' welfare in the supply chain, for instance, exposure to the COVID-19 virus, increased workloads and the impact of extended remote working periods with limited or no opportunity to return home. During the year, SBM Offshore has contacted yard management to request they pay attention to these factors. Some yards have been proactive in seeking to address the human impacts COVID-19 has had on its workforce by providing additional food distribution, regular additional physical and mental health checks and incentives. Travel restrictions during the global pandemic have also delayed on-site assessments, including accommodation visits, of human rights impacts. This has been mitigated in part by training local employees to take

on human rights observation activities & listening tours and by planning remote worker-lead interviews.

FUTURE

In 2022, SBM Offshore will follow up its due diligence and supply-chain screening, with planned actions to include management engagement with suppliers with specific risk indicators, and education sessions and mutual sharing of best practices. SBM Offshore is on a journey to fully embed human rights and social performance within SBM Offshore to achieve 'no harm'. In 2022, SBM Offshore plans to increase training and awareness on human rights and to continue due diligence within the supply chain, as specified in the target explained in section 2.2. This will further expand the focus within SBM Offshore and mitigate the potential lack of on-site visibility on human rights in times of travel restriction, which may continue into the coming year.

2.1.4 OPERATIONAL EXCELLENCE & QUALITY

SBM Offshore recognizes that in order to be a high-performance company, it must strive for excellence. As explained in previous sections, key activities are the execution of projects, delivery of floating production systems, together with vendors and supply chain partners, and the operation of these systems to the highest standards.

To support this approach, SBM Offshore maintains a dedicated Operational Excellence organization at Group level, incorporating resources with diverse expertise in operational, technical and process fields.

Key performance indicators for Operational Excellence & Quality include: uptime of the fleet, delivery of projects, performance of the supply chain, costs of non-quality and certifications.



2.1.4.1 OPERATIONAL EXCELLENCE FUNCTION

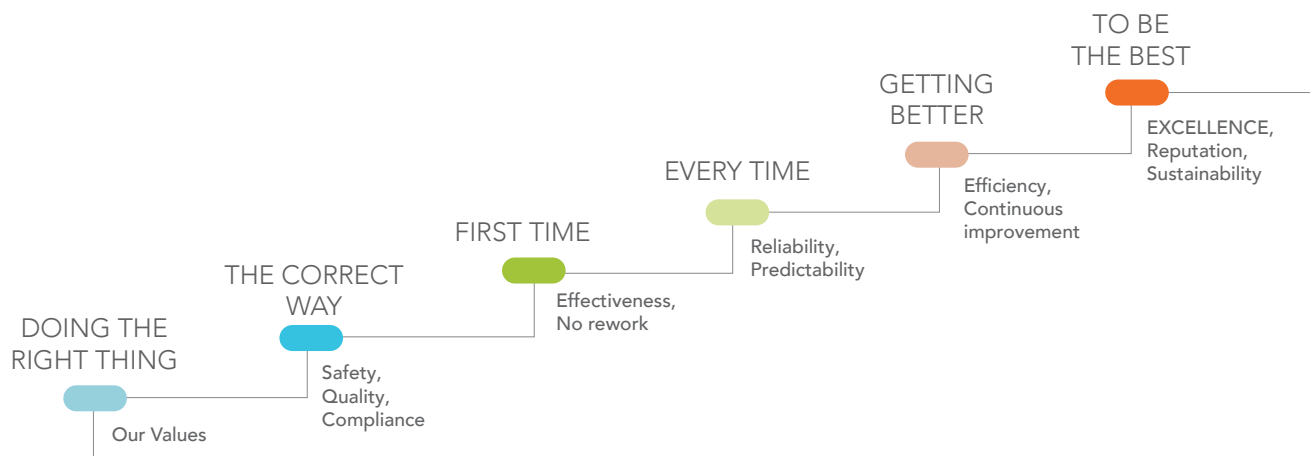
MANAGEMENT APPROACH

The scope of SBM Offshore's Operational Excellence Function is to continually oversee core business activities across their lifecycle (from 'Win' to Execute' to 'Operate') and drive SBM Offshore towards high performance, not only from an economic perspective (covered in section 2.1.6) but also through effective risk management, quality/compliance assurance and continuous improvement.

Among the various aspects of Operational Excellence within SBM Offshore, are the following main themes:

- Leadership and Culture: with the ambition to 'Target Excellence', the complementary Life365 and Right365 programs frame the development of SBM Offshore's leadership and culture, focusing on the combined objectives of 'No Harm, No Defects, No Leaks'.

- Operational governance: as described in section 3.8.
- Process Safety Management and Risk Management: described in sections 2.1.2 and 3.6.1 respectively.
- Management Review: building on International Standards such as ISO 9001, SBM Offshore has established a set of internal processes ensuring a regular, structured review of its management and control framework against its latest strategy and actual performance.
- Knowledge Management and Continuous Improvement: ensuring that lessons are effectively learned, also building on internal knowledge and experience as well as industry best practices.
- New ways of working under Fast4Ward® and Digitalization – explained in sections Fast4Ward® and 2.1.8.
- Quality and Regulatory Management described below.



Quality & Regulatory Management

SBM Offshore is committed to performing its business in full compliance with all applicable laws and regulations and to delivering products and services meeting all related regulatory requirements, as well as any applicable specifications and requirements imposed by relevant stakeholders.

As part of the Operational Excellence organization, the combined Quality & Regulatory Management function is dedicated to ensuring that such objectives are consistently met in SBM Offshore's core business, notably through:

- Promoting a quality and compliance culture.
- Maintaining SBM Offshore's certification to the ISO 9001:2015 Standard.
- Providing systematic identification of applicable regulatory requirements and ensuring their implementation.
- Ensuring that conformity, compliance and acceptance of SBM Offshore's products and services are effectively achieved and maintained.

- Supporting continuous improvement of business processes and ways of working.

Regarding Operational Excellence & Quality overall, SBM Offshore is focused on reducing and mitigating risks to its business activities, notably:

- Significant risks related to project execution, process safety, human capital and changes in laws and regulations – as mentioned in section 1.4.
- Other operational risks such as loss of integrity of aging assets, loss of certificate of class and disruption to the supply chain.

2021 PERFORMANCE

SBM Offshore is proud to note the following key achievements:

- Active promotion of 'Target Excellence' principles through diverse initiatives.
- Maintenance of SBM Offshore's ISO 9001:2015 certification, including scope extension to the Terminal systems activity.

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- Further development of an integrated Product and Regulatory Assurance approach, building notably on project/operational experience to upgrade our processes including 'Cost of Non-Quality' processes.
- Strengthening of the Right365 program under the banner of 'Target Excellence', with a specific focus on 'Doing the Right Thing, Right First Time' with the deployment of mandatory Quality Rules e-Learnings for project personnel.
- Development of a new version of SBM Offshore's enterprise management system GEMS ('Sapphire project') to align GEMS structure and content with the new ways of working brought by the Enterprise Resource Planning project 'Integra'.
- Lessons Learned Initiatives performed to improve SBM Offshore's projects and operations.
- Development of a digital version of technical standards (GTS) that will be available through a Requirement Management Software in 2022.
- Effective use of independent third parties for inspection, verification and assurance services related to Execute and Operate activities.

Importantly, all company offshore facilities were duly accepted by all relevant authorities and regulators, with all related permits, licenses, authorizations, notifications and certificates duly granted and kept valid. Offshore facilities have also remained in class at all times as required from both statutory and insurance perspectives. No significant operational fine was paid in 2021.

FUTURE

For 2022, SBM Offshore will be focusing on the following subjects:

- Process Safety Management objectives as described in section 2.1.2.
- Further development of a Knowledge Management framework to grow in-house expertise and support continuous improvement.
- Roll out of a new version of GEMS, 'Sapphire'.
- Deployment of digital version of the GTS.
- Development and deployment of digital solutions supporting Operational Excellence, including a tool to execute technical assurance.
- Development of technical assurance framework beyond engineering phase.
- Transition from Cost-of-Non-Quality to Quality incidents to improve effectiveness and prevent reoccurrences.
- Maintenance of an effective regulatory watch and interface with regulators.

2.1.4.2 PROJECTS

MANAGEMENT APPROACH

SBM Offshore continues to focus on the development of its portfolio of floating solutions to deliver the best projects

aligned with customer needs, building on SBM Offshore's technology expertise and track record. The success of projects is determined by performance against a budgeted schedule, cost and quality within the HSSE and Target Excellence approaches mentioned in sections 2.1.2 and 2.1.4. KPIs are set accordingly and managed through SBM Offshore's Project Directorate and Project Dashboards.

The management approach remains based on (i) an early engagement with customers; (ii) standardization in product design and execution in order to improve competitiveness, quality, time to market and reduced emissions; and (iii) an increasing focus on the energy transition, using SBM Offshore's core competencies to develop affordable, low carbon solutions in the FPSO as well as in the LNG-to-power and renewable markets.

2021 PERFORMANCE

Throughout the year, SBM Offshore continued to meet the additional challenge of the COVID-19 pandemic whilst ensuring business continuity in all projects. The project teams maintained their focus on project delivery and safe operations, while working together virtually, across time zones, with customers, yards and suppliers with the aim of limiting delivery delays. Projects continued to operate in a new environment where readiness for, and mitigations of the risks of, the ongoing pandemic is factored into daily project execution. SBM Offshore is grateful to all the project stakeholders for making this happen.

FPSOs

- *Liza Unity* (FPSO) – SBM Offshore's first Fast4Ward® FPSO has safely arrived in Guyana in line with customer ExxonMobil's planning. *Liza Unity* (FPSO) was awarded the SUSTAIN-1 notation, the world's first FPSO to achieve this recognition. After a fast-track mooring hook-up operation, the FPSO is safely moored and SBM Offshore is currently carrying out offshore commissioning, with FPSO start-up scheduled for early 2022. SBM Offshore will then lease and operate the FPSO for a period of up to two years before handing it over to ExxonMobil.
- *FPSO Sepetiba* – Following the Fast4Ward® MPF hull arrival at the Topside yard in China, the topsides modules lifting campaign has begun for this FPSO which Petrobras will lease for 22.5 years, under a contract signed in 2019. First oil is targeted for 2023.
- *Prosperity* (FPSO) – The Fast4Ward® MPF hull for this FPSO entered dry dock in Singapore and the topsides' fabrication is progressing in line with the project schedule. The vessel is the first that SBM Offshore is delivering under the long-term FPSO supply agreement signed with ExxonMobil in 2019. The project is

progressing in line with the client's schedule, with planned completion in 2024.

- *FPSO Almirante Tamandaré* – The engineering activities are progressing, reaching the 60% model review milestone, and topside construction activities have started in China & Brazil. In parallel, the keel-laying milestone has been achieved for the Fast4Ward® MPF hull. The vessel will operate in the Buzios field, part of the Santos basin, offshore Brazil.
- *FPSO Alexandre de Gusmão* – Detailed engineering and supply chain activities have started in our Kuala Lumpur office. The Fast4Ward® MPF hull construction has reached the 'first steel cut' as well as the 'keel-laying' milestones. Topsides yards selection are completed both in China and Brazil.
- FPSO for Yellowtail development project – SBM Offshore started to carry out a Front-End Engineering Design (FEED) phase for ExxonMobil on the Yellowtail development project, ExxonMobil's fourth FPSO offshore Guyana. Subject to Guyana government approvals and project sanction and release of second phase of work by the client, SBM Offshore will design and construct the FPSO using its industry-leading Fast4Ward® program allocating the Company's sixth new build, MPF hull combined with several standardized topsides modules. The FPSO will be designed to produce 250,000 barrels of oil per day, will have associated gas treatment capacity of 450 million cubic feet per day and water injection capacity of 300,000 barrels per day. First oil is expected in 2025.

Fast4Ward® MPF hulls

- This year, two Fast4Ward® MPF hulls have been delivered and arrived in their respective integration locations (the second MPF hull in Singapore & the third one in China).
- In parallel, major milestones have been achieved for the fourth and fifth MPF hulls at respective Chinese shipyards: 'hull launching at end of dry-dock' in SWS for the fourth one; and 'keel-laying' in CMIH for the fifth one, both in line with SBM Offshore's execution plan. These two hulls are now allocated to projects, respectively the FPSO for Yellowtail development project and *FPSO Almirante Tamandaré*.
- In 2021, the Fast4Ward® program also welcomed a sixth hull, the fourth one ordered to SWS, which is already reaching the 'first steel cut' and 'keel-laying' milestones and has been allocated to *FPSO Alexandre de Gusmão*.

Turret Mooring Systems

Following successful completion and 2020 delivery of all the Turret Mooring System modules for Equinor's Johan Castberg FPSO, SBM Offshore was supporting its client Equinor to progress the preparation of Turret-Hull integration activities in Singapore.

In addition to supporting the SBM Offshore internal FPSO Product Line, providing expertise on mooring system designs, the TMS Product Line also carried out a pre-Front-End Engineering Design (pre-FEED) phase for BHP Trion FSO.

Renewables

SBM Offshore is now constructing three floating offshore wind substructures for the Provence Grand Large project for EDF Renouvelables. The three 8.4MW floaters with mooring systems will be installed offshore Marseille, France. Leveraging the experience gained from this pilot project will enable SBM Offshore to further fine-tune its technology and execution model and to scale up for future wind farm projects.

Installation

As part of its offshore installation services, SBM Offshore successfully and safely concluded several offshore operations, including subsea tie-in for the ALEN gas export facility offshore Equatorial Guinea, the soft yoke repair works on the FPSO Sea Eagle offshore Nigeria and Dussafu project SURF installation and subsea tie-in works offshore Gabon. More recently, SBM Offshore completed the Coral ENI FLNG Mooring System installation and pre-lay offshore Mozambique followed by the fast-track mooring hook-up of *Liza Unity* (FPSO) offshore Guyana.

In parallel, SBM Offshore concluded the sale of its diving support and construction vessel (DSCV) SBM Installer on January 19, 2022.

FUTURE

SBM Offshore will continue to standardize its products in line with the Fast4Ward® program while seeking to produce environmentally friendlier solutions in line with its emissionZERO® program. In addition, SBM Offshore will continue to fine-tune its product offering to offer competitive and industrialized solutions to the floating offshore wind and wave energy market. Development in the LNG-to-power market is also key to contributing to lower carbon intensity. These developments add to SBM Offshore's Ambition 2030, i.e. the addition of 2+ FPSO contracts per year on average and the achievement of >2GW Floating Offshore Wind installed or under construction by 2030.

2.1.4.3 SUPPLY CHAIN

MANAGEMENT APPROACH

The current business and health environment is driving major changes, with risk resilience and new market and environmental standards requiring that the supply chain organization adapts and evolves. To continue the drive towards energy transition with the highest level of safety, performance and quality, the supply chain management is

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evolving into a strategic globalized organization. Leveraging long-term relationships with key supply chain partners will also contribute to accelerating the time-to-market objective and performance in the Win phase.

With efficient execution of projects remaining essential, SBM Offshore supply chain management is continuing its efforts to support projects locally by developing capability hubs, for example in China, India and Brazil.

The pandemic has demonstrated the value of 'framing global, acting local' and aligning supply chain strategy with the product life-cycle. The supply chain organization contributes to SBM Offshore's strategy as described in section 1.3.2.

2021 PERFORMANCE

The supply chain organization has been developed further around six strategic pillars to enhance the resilience of the function as a whole:

Supply Chain Excellence

- Strengthening the performance of the function on a global scale and include all areas of SBM Offshore's business ie. Projects, Operations and non-Project related business.
- Enhancing Quality Assurance and Quality Control within Supply Chain.
- Enhancing the effectiveness of SBM Offshore's enterprise management processes.
- Effective vendor performance and vendor qualification assessment to include current topics such as climate change measures, human rights and cybersecurity.
- Set function-wide KPI's and enhance data-driven reporting and visibility into the performance of the entire function against these KPI's.
- Drive key global issues such as human rights and sustainability goals within the Supply Chain community.

Strategic sourcing

- Enhanced strategic focus during the proposal phase of SBM Offshore's projects.
- Increased cost-competitiveness and time-to-market by leveraging on global synergies with key vendors.
- Co-development with key vendors on major energy transition initiatives and new technology.
- Globalization of SBM Offshore's strategic activities to achieve direct benefits from the strategic work done with key vendors for project tenders.
- Enhance business alignment between SBM Offshore and its supply chain community by holding dedicated workshops and global events such as an annual Global Vendor Day.

Product focus in Supply Chain

- Enhanced resource management on SBM Offshore's projects to maximize utilization of skill sets.
- Dedicated section for FPSOs and FLNGs to strengthen key post-order management activities.

Energy Transition

- Work with key vendors to enhance technologies for carbon capture.
- Assess Scope 3 emissions for key components on SBM Offshore's FPSOs and work with key vendors to explore avenues to reduce emissions.
- Enhance renewable product focus to support development of renewable energy projects.

Regional Supply Chain development

- Leverage regional supply chain skills in centers such as Brazil (Rio de Janeiro), India (Bangalore) and China (Shanghai).
- Diversify supply chain resources and develop talents across all regions.

Digital Transformation

- Play a major role in the design and implementation of SBM Offshore's migration to the new global ERP system.
- Work with the external supply chain community to support digital-twin objectives.
- Support the data-migration activities to enhance automated data-driven reporting and performance measurement of the function.

Performance measurements:

- 9 Steering committee meetings organized with strategic vendors.
- 1,599 vendors qualified under the revised qualification process since 2017, including more than 120 Chinese vendors.
- 99.5% of vendors have signed the Supply Chain Charter.
- 90 vendors have had their qualification renewed following satisfactory performance.
- 65 vendors have responded to SBM Offshore supply chain organization's new human rights assessment (more detail in section 2.1.2).

FUTURE

Next year, Group Supply Chain will continue its evolution towards being a resilient function to enhance and maintain high standards of performance across all areas of its business including, but not limited to, supporting human rights, climate change measures, digitalization, quality assurance and quality control, resource and talent management across all SBM Offshore's centers, enterprise management systems, vendor performance and qualification assessments, and energy transition measures.

SUPPLY CHAIN ORGANIZATION PRINCIPLES



Supply Chain Excellence

Driving a multi-faceted global approach to strengthen the function's performance and measurement of key performance indicators across all aspects of our business and across all our regional centers



Strategic sourcing

Developing and fostering a climate of collaborative partnerships with our key suppliers to enhance cost competitiveness, time to market and co-development initiatives



Product focus

Enhancing product based post order management capabilities by effective adherence to our processes and resource management tools and techniques to maximize utilization of skills to deliver defect free fit for purpose products



Energy transition

Assessing current Scope 3 emission levels to set baselines for future collaborative work with our suppliers towards reducing emissions whilst supporting our renewable energy projects



Regional development

Diversifying and developing the supply chain talent pool across all our centers to integrate regional skills and expertise into our core business activities



Digital transformation

Transforming supply chain into a data driven function whilst retaining traditional execution expertise across all supply chain activities

2.1.4.4 FLEET

MANAGEMENT APPROACH

The fleet that SBM Offshore operates on behalf of its clients form the Value Platform 'Ocean Infrastructure'. They are key value drivers for SBM Offshore and generate predictable and sustainable revenue and operating cash-flows. The expertise and experience of almost 3,000 offshore crew and onshore staff ensures value creation through the safe, reliable and efficient operation of SBM Offshore's offshore fleet.

The Fleet adheres to and applies the management approach of the wider SBM Offshore organization. Key to this are policies, commitments and mechanisms mentioned under sections 2.1.2 and 2.1.4. In addition, SBM Offshore's Fleet also focuses on:

- Supporting SBM Offshore's Target Excellence program: the Fleet runs an 'Excellent Days' program which measures and rewards safe operational performance by offshore units and crew.
- Uptime: a key indicator for SBM Offshore measures the percentage of time the unit is available to produce. SBM Offshore aims to maintain its industry-leading levels of uptime, at or above 99%.

- Emissions: further increase in the stability of gas handling systems and improved data-analytics leading to reduction of flaring in most of the assets SBM Offshore operates on behalf of its clients. Further details can be found in section 2.1.7.
- Local content and knowledge transfer targets in SBM Offshore's countries of operations: which are accompanied by social development initiatives, as mentioned in section 2.2.
- A company-wide Responsible Recycling Policy: for the sustainable end-of-life disposal of offshore units, applying the principles of the EU Ship Recycling Regulation 1257/2013 or equivalent.

At the end of 2021, SBM Offshore was responsible for performing operation & maintenance services on 14 FPSOs across the globe and had a non-operating stake in 1 Semi-submersible unit.

With the following historic performance:

- over 6.5 billion barrels of production cumulated to date.
- 9,725 oil offloads cumulatively to date.
- 360 cumulative contract years of operational experience.

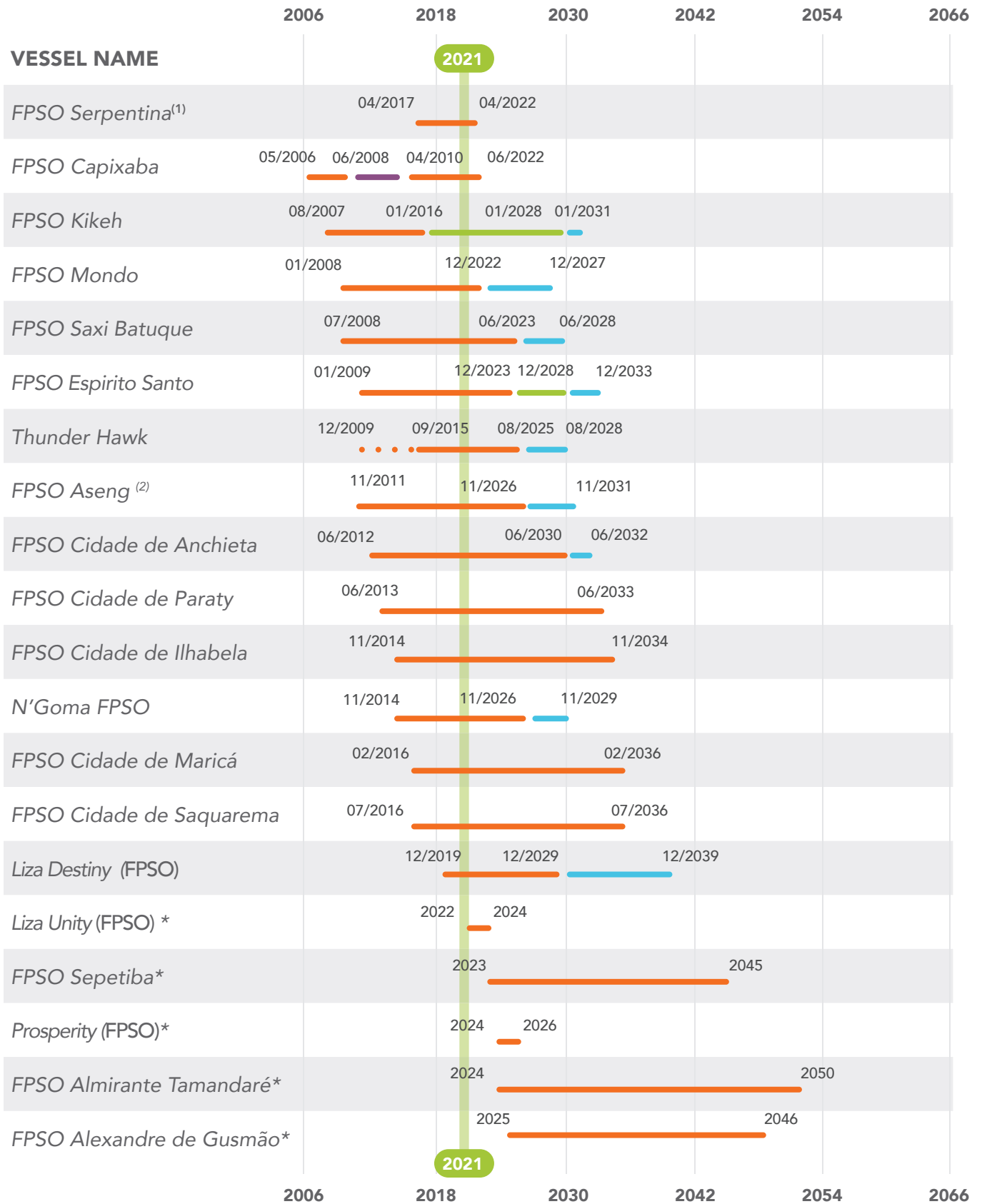
OPERATIONS FLEET



VESSEL NAME	CLIENT	COUNTRY	1 ST OIL/GAS DATE
<i>FPSO Serpentina</i> ⁽¹⁾	MEGI	E.GUINEA	2003
<i>FPSO Capixaba</i>	PETROBRAS	BRAZIL	2006
<i>FPSO Kikeh</i>	PTTEP	MALAYSIA	2007
<i>FPSO Mondo</i>	EXXONMOBIL	ANGOLA	2008
<i>FPSO Saxi Batuque</i>	EXXONMOBIL	ANGOLA	2008
<i>FPSO Espirito Santo</i>	SHELL	BRAZIL	2009
<i>Thunder Hawk</i>	FIELDWOOD/MURPHY	USA	2009
<i>FPSO Aseng</i> ⁽²⁾	NOBLE ENERGY	E.GUINEA	2011
<i>FPSO Cidade de Anchieta</i>	PETROBRAS	BRAZIL	2012
<i>FPSO Cidade de Paraty</i>	PETROBRAS	BRAZIL	2013
<i>FPSO Cidade de Ilhabela</i>	PETROBRAS	BRAZIL	2014
<i>N'Goma FPSO</i>	ENI	ANGOLA	2014
<i>FPSO Cidade de Maricá</i>	PETROBRAS	BRAZIL	2016
<i>FPSO Cidade de Saquarema</i>	PETROBRAS	BRAZIL	2016
<i>Liza Destiny (FPSO)</i>	EXXONMOBIL	GUYANA	2019
<i>Liza Unity (FPSO)*</i>	EXXONMOBIL	GUYANA	2022
<i>FPSO Sepetiba*</i>	PETROBRAS	BRAZIL	2023
<i>Prosperity (FPSO)*</i>	EXXONMOBIL	GUYANA	2024
<i>FPSO Almirante Tamandaré*</i>	PETROBRAS	BRAZIL	2024
<i>FPSO Alexandre de Gusmão*</i>	PETROBRAS	BRAZIL	2025



— Initial Lease Period
 — Contractual Extension Option
 — Confirmed Extension
 — Conversion

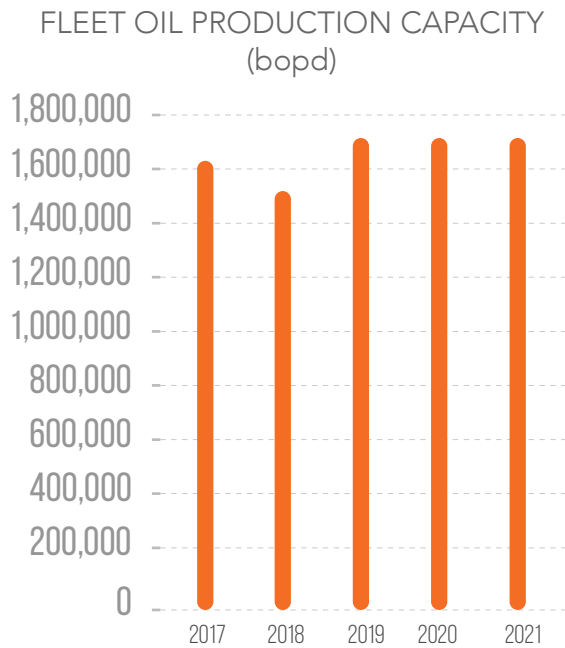


(1) FPSO Serpentina is owned by the client and is operated by Gepsing – a subsidiary between SBM Offshore (60%) and GEPetrol (40%)

(2) Noble Energy EG Limited is now a wholly-owned indirect subsidiary of Chevron Corporation

* Under construction.

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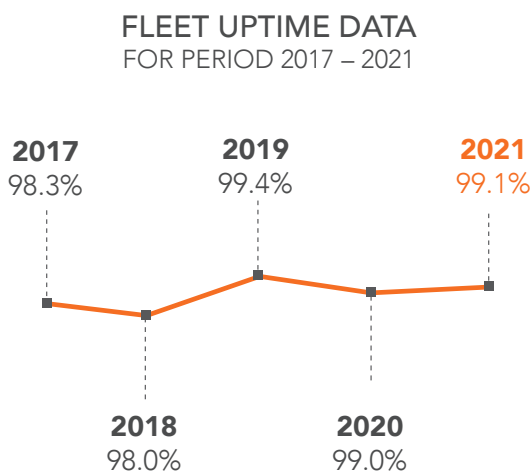


2021 PERFORMANCE

2021 represented another challenging, yet ultimately successful, year for SBM Offshore's operations, with the demands of the global COVID-19 pandemic continuing to impact the operational focus.

Continued strong management of the pandemic and its impact on crew health and safety, logistics and travel ensured business continuity and good performance in offshore operations. Solid results were achieved in terms of occupational and process safety, while maintaining historic production uptime of 99%.

In 2021, no units entered or exited the fleet operated by SBM Offshore.



Despite this, various initiatives and developments progressed and matured this year to enhance operational safety, quality and efficiency through:

- Training and Competency overhaul with focus on digitally driven educational platforms, Virtual Reality and remote learning for safe, efficient onboarding of new crew.
- Health and Fatigue Management programs and recruitment of additional personnel easing rotation planning and providing relief for offshore teams.
- Organizational enhancements and expanded Data Management for globally integrated, connected and data-driven operations.
- Maturing Fleet Support services capabilities through global network.
- Continued implementation of digital solutions and applications for enhanced operational intelligence, asset monitoring and predictive capability. Increased value creation from digitalization of mature Brazil operations, and establishment of same in Guyana.

SBM Offshore's approach is to target asset preservation with optimal lifecycle costing. In 2021, progress was made on:

- Expansion of the digital environment, data connection and management under the control of global operations monitoring centers and the deployment of predictive maintenance applications for equipment and asset optimization (see section 2.1.8).
- Continued focus on Process Safety Management, barrier management, and enhanced Marine Safety.
- Deployment of solutions and techniques based on Artificial Intelligence and new technologies such as remote work preparation and inspections, offshore mobility devices, drones, VR and equipment integrity programs reducing offshore manhours and shutdown durations.

Responsible Recycling of MOPU Deep Panuke

The MOPU Deep Panuke PFC, which was disconnected in 2020, was taken to a responsible recycling facility in Nova Scotia, Canada for the planned recycling phase. This is being carried out in full adherence to SBM Offshore's Responsible Recycling Policy, including the above-mentioned commitments to EU regulations. SBM Offshore is proud to have qualified a local yard meeting all requirements and through which SBM Offshore can ensure local economic development and reduction of logistic-related carbon emissions.

During 2021, the project addressed waste management streams, supported habitat creation through reef balls in the surrounding harbor, and invested in local community development, labor opportunities and contributions to

schools and First Nation projects. The responsible recycling project is expected to complete in 2022.

FUTURE

As a forward-looking operator, SBM Offshore leverages its unrivalled experience and industry-leading digital and technological solutions to deliver sustainable, ethical operations with the highest standards of safety, reliability and efficiency. SBM Offshore’s core values and approach to responsible business underpin SBM Offshore’s operational philosophy and prioritize the health and well-being of all offshore and onshore employees.

As part of SBM Offshore’s Digital Transformation, ‘Smart Operations’ based on quality data, digital analytics and technology is rapidly accelerating the development and deployment of digital tools and technologies across SBM Offshore’s fleet. This provides internal value creation, optimized client service offering and enhanced safety and efficiency.

Emission reduction in downstream leased assets will ensure SBM Offshore’s contributions to Climate Change Mitigation and a subsequent path to net-zero, as explained in sections 1.4.3 and 2.1.7. SBM Offshore has set long-term targets for this. Key elements are:

- The development of the emissionZERO® FPSO for future projects.
- The development of investment proposals for clients and joint venture partners in the installed base of assets.

Company standardization programs such as Fast4Ward® also benefit Fleet Operations through the combination of standardized designs for new units and the integration of new digital, data-driven solutions. Operations in Brazil represent the mature frontrunner of this digital value creation, whereby products are tested, incubated and validated. Here structural preparations are also underway to receive the *FPSO Sepetiba*, a Fast4Ward® design, after its completion.

In Guyana, operations continue to experience strong growth, both offshore and onshore and take full benefit of enhanced products, programs and operational developments in the wider company. In 2021, SBM Offshore welcomed the second unit, *Liza Unity* (FPSO) offshore. As at year-end, commissioning activities were progressing towards first oil, targeted for early 2022. Preparations are also ongoing for the arrival of *Prosperity* (FPSO) in 2023. SBM Offshore continues to expand and embed its presence in-country with the opening of new purpose-built operational headquarters including an Integrated Operation Centre for offshore units. Operations are backed up by strong growth in personnel and investment in a wide range of social, environmental and educational initiatives focusing on local content and knowledge transfer.

SBM Operations has a strong role in managing annual and long-term targets in line with the UN Sustainable Development Goals, as explained in section 2.2.

2.1.5 RETAINING AND DEVELOPING EMPLOYEES

PEOPLE DEVELOPMENT CYCLE

