



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2021

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.

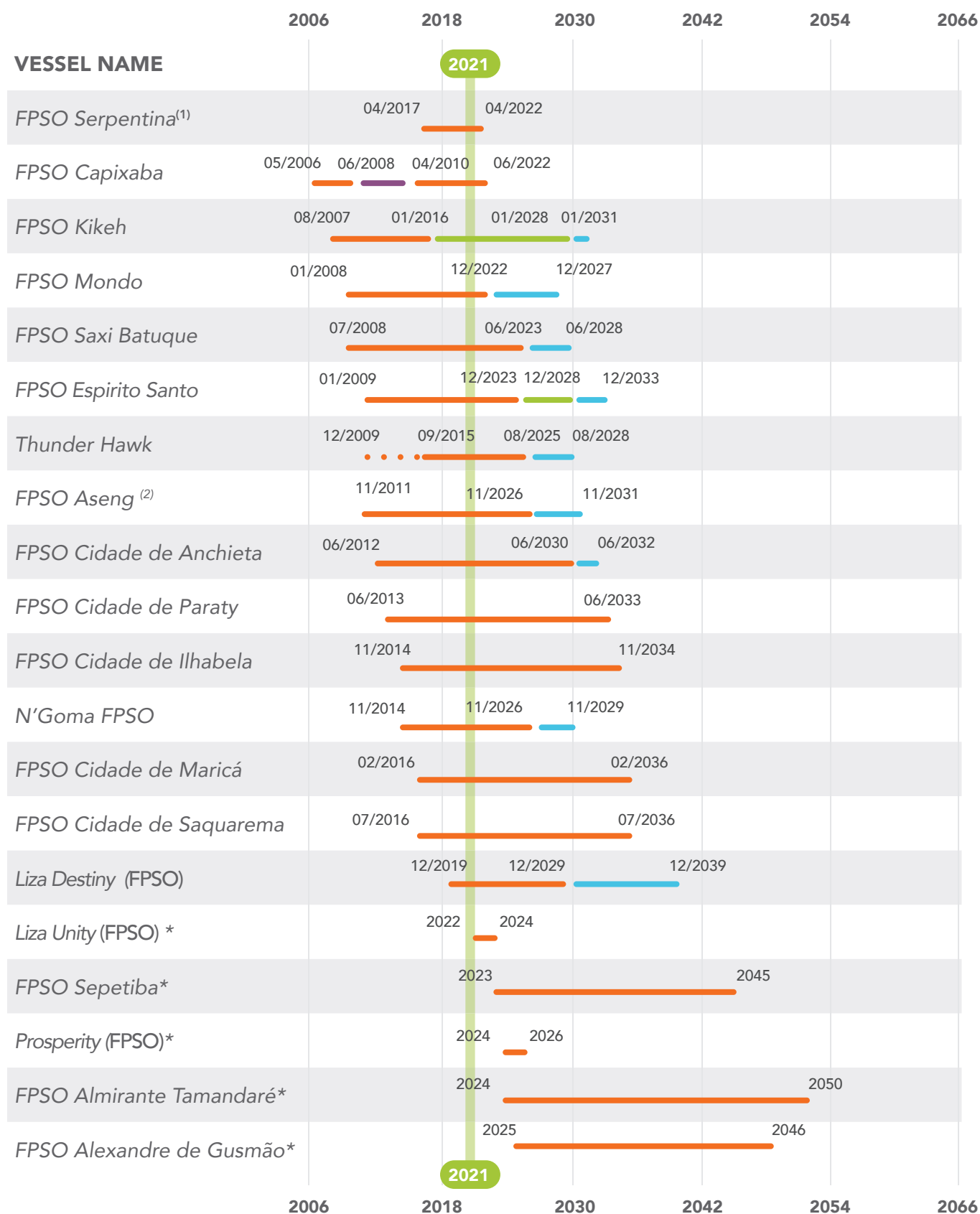
OPERATIONS FLEET



VESSEL NAME	CLIENT	COUNTRY	1 ST OIL/GAS DATE
<i>FPSO Serpentina⁽¹⁾</i>	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 ⁽²⁾</i>	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

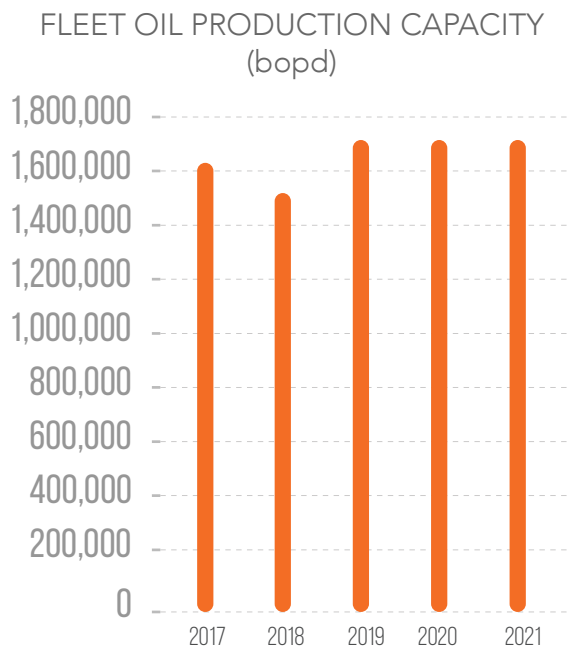


(1) FPSO Serpentina is owned by the client and is operated by Gepsing – a subsidiary between SBM Offshore (60%) and GEPetrol (40%)

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

* Under construction.

2 PERFORMANCE REVIEW & IMPACT

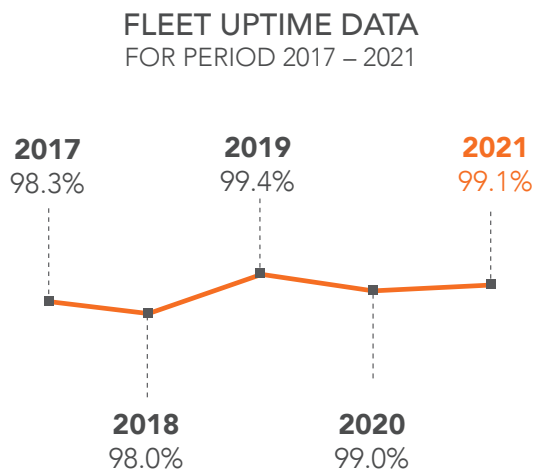


2021 PERFORMANCE

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

