



ANNUAL REPORT 2021

2 PERFORMANCE REVIEW & IMPACT

Tension-Leg Platform (TLP) floater design, and Wave Energy Converter products, as well as studies in energy storage, desalination, hydrogen and ammonia for offshore applications.

- SBM Offshore is working on projects that address emissions reduction along the lifecycle of its business, as part of its emissionZERO® portfolio (see section 2.1.7).

The revenues, CAPEX and OPEX associated with these projects and initiatives add to EU Taxonomy eligible business, as reported in section 5.1.5. SBM Offshore's commitments should lead to higher revenues from eligible business in the future, with 2021 R&D investment already reflected in the EU Taxonomy eligible OPEX KPI stated. Above-mentioned R&D investments are visible in the OPEX

or to significantly reduce emissions in SBM Offshore's normal/future fleet operation.

KPI reported. These activities support the mitigation of and/or adaptation to climate change impacts.

FUTURE

SBM Offshore will continue to build upon these achievements and is looking at developing from renewable energy pilots to commercial scale energy infrastructure, as well as increasing its role in the supply chain with the aim of creating more value. For 2022, SBM Offshore has set a target of investing 50% of its R&D budget into EU Taxonomy eligible⁹ technologies, as can be read in section 5.1.5.

2.1.11 MARKET POSITIONING

MANAGEMENT APPROACH

⁹ Based on 2021 eligibility KPI definitions explained in section 5.1.5.



Market positioning is about global presence and engaging in emerging markets in order to adapt to market developments. The size of the business, new business development and sustainability benchmarks are seen as strong indicators of a successful management approach. Examples of metrics are the performance of the fleet, the revenue backlog, the number of projects won, the new developments in the renewables market, and SBM Offshore's ESG ratings performance.

SBM Offshore aims to provide for 'double resiliency', meaning achieving a cost-competitive and low-carbon

footprint for its products, which will be the choice of the clients. SBM Offshore's strategy to Optimize, Transform and Innovate, combined with addressing material topics, leads to a market positioning for future success. Through market positioning, SBM Offshore addresses the competitiveness risks mentioned in section 1.4.2.

2021 PERFORMANCE

Performance is detailed in subsections of 2.1. The following table provides the key items of SBM Offshore's market positioning.

Market positioning – SBM Offshore performance

	Optimize	Transform	Innovate
SBM Offshore performance	<ul style="list-style-type: none">Fleet size of 15Directional Proforma Backlog of US\$29.5 billion6 FPSO projects under construction360 years of cumulative operating experience	<ul style="list-style-type: none">5 Fast4Ward® FPSO projects under execution, 1 additional Fast4Ward® MPF under constructionIndustry leader in sustainability rankingemissionZERO®	<ul style="list-style-type: none">60% R&D spend on non-carbon technologyFOW Project in execution and formation of new Joint Venture
Benchmarking	<ul style="list-style-type: none">A leader in its marketA leader on occupational safetyFirst among peers to launch branded platform for emissions reductionFirst among peers with EPC floating offshore windIndustry first with a S3® type Wave Energy converterFirst among peers in sustainability95th Percentile S&P Global ESG rating		

FUTURE

SBM Offshore is committed to safe, sustainable and affordable energy for generations to come. SBM Offshore aspires to industry leadership, by understanding stakeholder interests and increasing the size and value of the business. In 2022, SBM Offshore's focus remains the safe and reliable execution of its ongoing projects and operation of its fleet. SBM Offshore also continues to engage early with clients and vendors to make further progress on the emissionZERO® program and grow its renewables business. SBM Offshore will continue innovating along the energy transition. There will also be more focus on digitalization and offering digital solutions to the market. Finally, sustainability performance is key to long-term market positioning. See section 2.2 for future developments in that area.

2 PERFORMANCE REVIEW & IMPACT

2.2 SUSTAINABLE DEVELOPMENT AND LOCAL IMPACT

MANAGEMENT APPROACH

SBM Offshore is committed to sustainability, which contributes to SBM Offshore's vision of providing safe, sustainable and affordable Energy. SBM Offshore follows the Global Reporting Initiative (GRI) standards to report on non-financial performance, as well as on indicators for its material topics.

SBM Offshore has a Sustainability Policy which includes commitments and guiding principles for SBM Offshore and

its stakeholders. SBM Offshore is committed to alignment with the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (MNE). Furthermore, to provide context for SBM Offshore's targets and performance, SBM Offshore leverages the UN SDG framework. SBM Offshore has identified seven SDGs that are most material to its business. Building on the long-term guidance presented in 2020, SBM Offshore has set specific time-bound long-term targets for the selected SDGs. These targets and underlying roadmaps are built with inputs and commitments from different business entities as part of business plans and budgets.

SUSTAINABLE DEVELOPMENT GOALS: LONG TERM TARGETS (BY 2030 UNLESS SPECIFIED OTHERWISE)

SDG	TARGET AREA	LONG TERM COMPANY TARGETS
3 GOOD HEALTH AND WELL-BEING 	<ul style="list-style-type: none"> Health and Well-being 	<ul style="list-style-type: none"> A leader on Employee Health & Well-being
4 QUALITY EDUCATION 	<ul style="list-style-type: none"> Education for Sustainable Development 	<ul style="list-style-type: none"> Co-develop climate change & energy transition awareness program for developing regions
7 AFFORDABLE AND CLEAN ENERGY 	<ul style="list-style-type: none"> Access to Energy Energy Efficiency 	<ul style="list-style-type: none"> Approved investment plans in support of net-zero by no later than 2050 (Downstream Leased Assets installed base) Project offices consume 100% of green energy
8 DECENT WORK AND ECONOMIC GROWTH 	<ul style="list-style-type: none"> Human Rights Occupational Safety & Process Safety 	<ul style="list-style-type: none"> Fully embed human rights & social performance within the company to achieve no harm Top 10% performer in Occupational Safety & Process Safety Events
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<ul style="list-style-type: none"> Energy Transition & Decarbonization 	<ul style="list-style-type: none"> >2GW FOW installed or under construction by 2030 Offer the market with near zero emissions FPSO
13 CLIMATE ACTION 	<ul style="list-style-type: none"> Climate Change Management 	<ul style="list-style-type: none"> Run a strategy and action plan compatible with a transition to net-zero by no later than 2050
14 LIFE BELOW WATER 	<ul style="list-style-type: none"> Ensure Ocean Health & Protect Ecosystems 	<ul style="list-style-type: none"> Reduce Oil in Water Discharge Intensity to zero Develop Marine Diversity Intelligence & Improvement Framework, including target management