



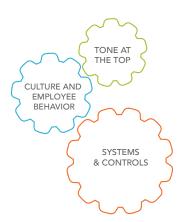
ANNUAL REPORT 2021

3 GOVERNANCE

3.6.2 COMPLIANCE PROGRAM

STRATEGY

SBM Offshore aims to enable its employees and business partners to make the right decisions, with commitment to integrity at all levels. In recognition of this commitment, the Company has implemented a comprehensive Compliance Program applicable to the SBM Offshore group. Our leaders are responsible for ensuring that the company fulfils its commitment to integrity at all levels. They set the tone from the top and are there to respond to any questions, observations and suggestions in a responsible manner, in line with our Core Values and Code of Conduct.



The Code of Conduct builds on the Company's Core Values and is based on four pillars:

- Respecting the law our fundamental rule.
- People, culture and behavior how we work together and how we help each other to succeed.
- Our business activities how we interact in the marketplace and help our clients to succeed.
- Wider community and corporate citizenship how we fulfil our wider social responsibilities.



Key elements of the Compliance Program

SBM Offshore's Compliance Program aims to promote an ethical culture throughout SBM Offshore and guides the Company's Management and employees in making values-led decisions, as well as strengthening the management control system to prevent, detect and respond to compliance risks and potential violations of our Code, the law and other wrongdoing. The program includes proper and independent oversight, risk management, policies and procedures, integrity reporting and investigations, risk-based training and communication to employees, auditing and monitoring.

SBM OFFSHORE COMPLIANCE PROGRAM



Engagement, dialogue and coalitions with business, other functions and third parties.



Data, processes and controls as tools to drive Responsible Business Conduct.



Remote Risk-Based Learning Strategy to keep Connected with our Stakeholders.

Speak Up

An important part of the program's role includes the focus on the prevention of misconduct through the Integrity Panel, which oversees and investigates reports of (potential) misconduct. The Company's reporting channels and Speak Up Line enable leadership to carefully listen to employees and partners in our value chain about their compliance concerns. On October 1, 2021 the revamped 'Speak Up Line' and Speak Up Policy were launched, in compliance with the EU Whistleblowing Directive, with the aim of simplifying the process of reporting concerns.

MATURITY ASSESSMENT

The Management Board has assessed the Compliance Program against a basic maturity model and concludes that, at the end of 2021, the Company is transitioning from a rules-based approach towards a value-driven business approach. Certain elements of the Compliance Program, notably the focus on responsible leadership behavior, fall within the 'value-led business' maturity level.

3.7 COMPANY TAX POLICY

SBM Offshore's tax policy is summarized as follows:

- The Company aims to be a good corporate citizen in the countries where it operates by complying with the law and by contributing to the countries' progress and prosperity through employment, training and development, local spending, and through payment of the various taxes it is subject to, including wage tax, personal income tax, withholding tax, sales tax and other state and national taxes as appropriate.
- The Company aims to be tax efficient in order to be cost competitive, while fully complying with local and international tax laws.
- The Company operates in a global context, with competitors, clients, suppliers and a workforce based around the world. A typical FPSO Engineering, Procurement and Construction ('EPC') project sees a hull construction or conversion in Asia, topsides construction in Asia, Africa or South America, engineering in Europe or, Asia and large scale procurement from dozens of companies in many countries across the globe. Depending on the particulars of the client contract, the EPC phase may be followed by a lease and operate phase involving the country of operations but also support centers of the Company located around the world. In each of these countries, the Company complies with local regulations and pays direct and indirect taxes on local value added, labor and profits and in some cases pays a revenue based tax. To coordinate the international nature of its operations, its value flows and to consolidate its global EPC activities, in 1969 the Company created Single Buoy Moorings Inc, which continues to perform this function today from its offices in Marly, Switzerland.

The Company:

- Complies with the OECD transfer pricing guidelines.
- Supports the OECD's commitment to enhance tax transparency and is committed to be in full compliance with applicable laws in countries where it operates. Consistent with this approach, the Company supports the initiatives on base erosion and profit shifting, including but not limited to Anti Tax Avoidance Directive 2 (ATAD 2), the upcoming Anti Tax Avoidance Directive 3 or European Union directives enhancing transparency, such as DAC 6. The Company is required to file detailed reports and transfer pricing documentation in accordance with Base Erosion and Profit Shifting's (BEPS) action 13 as is now implemented in Dutch tax law. The disclosures contained in the country-by-country reporting ('CbCR') have been prepared to meet the OECD requirements and have been filed with the Dutch tax authorities for the year 2020.

- Makes use of the availability of international tax treaties to avoid double taxation.
- Does not use intellectual property as a means to shift profits, nor does it use digital sales. Furthermore, the Company does not apply aggressive intra-company financing structures such as hybrids. In 2021, the Company reported a current corporate income tax charge of US\$60 million under IFRS (compared to US\$48 million in 2020). Due to the large losses incurred on the legacy projects, some tax loss carry forward positions still exist at the global contracting company, which are limiting the current tax payments in Switzerland and in jurisdictions of the Company's locations.
- Endorsed the B Team Responsible Tax Principles in August 2021 and published the SBM Offshore Approach to Tax on its website. This explains the key principles applied to tax matters and the associated governance as well as describing the Company's global tax footprint.
- Regarding the OECD initiative to address the Tax Challenges Arising from the Digitalization of the Economy and its two-pillar solution aiming to reform the international tax system, the Company acknowledges that the implementation of Pillar 2 may have some impacts on its income tax charge. However, those effects will only be known once the OECD has released the Commentary associated to the model rules and that the EU has also released the final version of the directive implementing the Pillar 2 model rules.