



OFFSHORE

ENERGY. COMMITTED.

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3 GOVERNANCE

3.8 OPERATIONAL GOVERNANCE

Operational Governance of the Company is supported by an independent team under Group HSSE and Operational Excellence, which encompasses key operational and assurance functions involved in SBM Offshore's core business activities and reports directly to SBM Offshore's Management Board. Such functions have a key role in ensuring a coordinated, consistent and controlled approach to core business over the full lifecycle i.e. Win, Execute and Operate phases, and across the Company's locations, Fleet Operations and Product Lines through:

- Functional leadership within the corresponding communities (distributed across entities) and other functions.
- Ownership and governance of internal systems and procedures, developed in response to known and anticipated risks in line with the strategic direction of the Company.
- Maintenance of GEMS, as introduced in section 3.8.1.
- Maintenance of GTS, as introduced in section 3.8.2.
- Management of improvement initiatives.
- Coordination and harmonization of the Company's ways of working and internal standards.
- Specific focus on the product lifecycle, notably based on a cross-functional gate process and internal arbitration if necessary.
- A focused hazard and effects management process that builds on experience in order to continuously improve the performance of our HSSE barriers such that the risk exposure is reduced to as low as reasonably practicable.
- An internal Incident Management Committee (connected in turn to the Risk Assurance Committee referred to in section 3.6.1) to ensure that lessons are effectively learned from incidents.
- Coordinated assurance activities focusing on risk management, compliance, effectiveness, business performance.
- Involvement of independent third-parties as certification, verification or classification bodies.

A detailed certification and classification table is provided in section 5.5, mapping compliance with international certification standards and classification rules.

Note: for complementary details on SBM Offshore's approach to Operational Excellence, refer also to section 2.1.4.

3.8.1 GLOBAL ENTERPRISE MANAGEMENT SYSTEM (GEMS)

GEMS is structured around three main process domains: executive processes, core processes and support processes. Core processes are further modelled into the Win, Execute and Operate phases and is represented as shown in the illustration.

The Management System is one of the key enablers for the Company to perform its business activities in a consistent, reliable and sustainable manner, meeting client expectations, adapting to new challenges and continuously improving ways of working.

The Management System of SBM Offshore is called the Global Enterprise Management System (GEMS) and is based on several international standards and other practices.

GEMS is the core of a broader ecosystem including software solutions (e.g. LUCY, SBM Offshore's Human Capital Management System) and other elements such as SharePoint microsites and Group Technical Standards (GTS) as introduced in section 3.8.2.

The Group's Vision, Values (section 1.3.1) and Policies are embedded in GEMS to support the correct governance of SBM Offshore's organization and business activities. These form the foundation processes that are consistently applied throughout all offices and fleet operations (in-country offices and vessels).

To align GEMS with the new ways of working brought by the new 'Integra' ERP platform, a new version of GEMS, 'GEMS Sapphire', has been developed, which will come into operation in 2022.

GEMS Sapphire's main core processes have been redesigned to show where the company generates value from its activities.

The existing version of GEMS will remain available and be maintained until the full deployment of Integra across SBM Offshore.

GEMS gives clear and formal ownership of end-to-end processes and clear identification of key controls. It provides a cohesive framework for quality and regulatory compliance, health and safety, security of personnel and assets, protection of the environment, as well as risk and opportunity management throughout the product lifecycle, ensuring the Company's sustainability.

GEMS can be accessed in its entirety via a single website which ensures easy access to all employees.

GEMS SAPPHIRE

EXECUTIVE PROCESSES

MANAGE GROUP STRATEGY	MANAGE ENTERPRISE RISK
MANAGE STRATEGIC ALLIANCES	MANAGE HSSE, QRM & OPERATIONAL EXCELLENCE
MANAGE SUPPLIERS & STRATEGIC SOURCING	MANAGE TECHNOLOGY & INNOVATION
ENSURE SUSTAINABILITY	MANAGE CLIENT & OPPORTUNITY
MANAGE LEGAL & COMPLIANCE	

CORE PROCESSES

TENDER TO CASH
SERVICE TO CASH
PROCURE TO PAY
FORECAST TO CONTROL
RECORD TO REPORT
INVEST TO DIVEST
CONCEPT TO NEW PRODUCT AND SERVICES
HIRE TO RELEASE

SUPPORT PROCESSES & SERVICES

MANAGE DATA & INFORMATION SYSTEM	MANAGE COMMUNICATION
MANAGE INFORMATION TECHNOLOGY	

3.8.2 GROUP TECHNICAL STANDARDS (GTS)

A key driver for the cost of new projects is the technical standards to be applied in addition to the local regulatory requirements. Typically, these standards fall into three categories – customer standards, contractor standards or a hybrid set of customized standards. In the current climate of severe cost pressure, there is a logical push in the industry towards wider acceptance of contractor standards. By leveraging its expertise – notably through its Fast4Ward® program – SBM Offshore can minimize project customization and efficiently deliver more standard products, with significant cost and schedule savings.

To support this approach, the Company has over the years established its own Group Technical Standards (GTS) by integrating key elements of its accumulated project execution and fleet operational experience. The GTS consist of a set of minimum technical requirements applicable to Company products provided to customers on a Lease & Operate basis. They ensure a consistent design approach, optimized from a lifecycle cost perspective and integrating Company’s policies and standards with respect to personnel safety, environmental protection and asset integrity. Additionally, all GTS documents are formally reviewed and approved by Classification Societies acting as independent third parties.