SBM OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2021

5 NON-FINANCIAL INFORMATION

5.1 SCOPE OF NON-FINANCIAL INFORMATION

5.1.1 REPORTING ABOUT NON-FINANCIAL INFORMATION

This Annual Report has been prepared in accordance with the GRI standards: Core option. SBM Offshore has used the GRI Standards to determine material aspects for this year's Annual Report.

5.1.2 MATERIALITY METHODOLOGY

SBM Offshore conducts a materiality analysis according to the GRI Standards in order to include the topics in the Annual Report that can reasonably be considered important for reflecting the organization's economic, environmental, and social impacts, or influencing the decisions of stakeholders.

For SBM Offshore it is critical to understand the interest SBM Offshore's stakeholders take and the impact SBM Offshore has on them. This understanding is raised through continuous dialogue and through SBM Offshore's Materiality Analysis. This process delivers insight into which topics are considered a) most important to SBM Offshore's stakeholders and b) to have the highest impact on the business context. Insight is obtained through materiality interviews, which aim to validate SBM Offshore's strategy and derive an updated overview of topics with high stakeholder and business impact (Material Topics).

UPDATE MATERIAL TOPICS

SBM Offshore conducted the following steps to assess the material topics in order to ensure the Report contains the level of information required by stakeholders.

- Step 1: Stakeholder Map & Long Listing of Topics
- Step 2: Short Listing of Topics with SBM Offshore Stakeholder Group Owners
- Step 3: Stakeholder Interviews & Surveys
- Step 4: Analysis & Reporting
- Step 5: Action for Strategy & Planning

As part of Step 1 SBM Offshore considered frameworks like GRI and SASB and looked at peers, clients and best practice. The basis for identifying and selecting stakeholders for engagement during this process resides in the importance of these stakeholders to the Company and their interest in the Company's activities. Above includes Management Board approval process as part of Step 4.

PROCESS

Every four years SBM Offshore executes a revision of its Materiality Analysis. This was done in 2020. In the years in between, SBM Offshore conducts interviews based on the same list of key and material topics, asking stakeholders for changes in rankings and potential additional topics emerging.

In 2020, SBM Offshore applied a forced ranking approach in order to ensure only the most important topics were labeled as 'material'. This method also allowed for deeper engagements on the material topics selected. Topics were selected from a long list based on industry standards, market assessments and external expert views. From a long list of 40 topics, 20 were selected by SBM Offshore's stakeholder group owners as being the most relevant. These 20 topics are considered as key to company long-term value creation. The 20 topics formed a basis for engagement with SBM Offshore's stakeholders resulting in 11 Material Topics, which are explained in section 1.2.2 in the Materiality Matrix. These topics enjoy the highest stakeholder interest with impact on the business context and therefore the ability to create and sustain value over time. The other 9 topics can be considered as key topics.

In 2021 SBM Offshore followed up on the above validating Material Topics and learning from stakeholders about any changes and/or emerging topics. This was done through video calls with the same stakeholders as in 2020. In these meetings, topic rankings from 2020 were discussed. Also stakeholders were asked for any additional topics emerging in the past year. Outcomes of interviews were captured in an analysis file. The outcomes of the analysis are validated by the Management Board and reflected in the updated list of material topics below – most notably the addition of Human rights – and the Materiality Matrix shown in section 1.2.2. Details on how the matrix corresponds to GRI and reporting boundaries can be found in section 5.4.

MATERIAL TOPICS DEFINITIONS

Digitalization	Develop secure digital applications to generate new business, improve operational excellence and reduce cost base through process redefinition, IT integration, IT infrastructure and development of digital services.
Economic performance	Economic value generated by considering total life cycle and operating costs in order to be able to distribute to stakeholders including employees, shareholders and capital providers.
Emissions	Manage Scope 1, 2 and 3 emissions (GHG and Non-GHG emissions, like methane, NOx, SOx emissions, etc.) to reduce as much as possible.
Employee health, safety and security	Providing a safe, secure and reliable work environment for all employees, promoting good health, adequately protecting from infection diseases and providing a secure work environment.
Energy transition	Maintain leading market position throughout the energy transition through portfolio management, sustainable development and adaptation to external trends.
Ethics and compliance	Being a trustworthy organisation by complying to rules, regulations and SBM Offshore's code of conduct, including anti-corruption policy, procedures and mechanisms.
Human Rights	Providing a work environment for employees in which basic human rights for all employees are respected and maintained. Ensure social dialogue with regards to labor conditions and impacts on communities
Innovation	Development of new technologies, particularly low and non-carbon technologies to maintain a leading position and support the energy transition.
Market positioning	SBM Offshore's position in the market and global presence, engaging in emerging markets, adapt to present and future market developments and product differentiation.
Operational excellence and quality	Achieving operational excellence and deliver projects and operations safely, on time and of high quality in all areas of SBM Offshore's business and it's supply chain.
Retaining and developing employees	Providing a healthy work environment for employees, provide training and education, regular performance feedback and enable them to grow through SBM Offshore with meaningful employment.

5.1.3 STAKEHOLDER ENGAGEMENT

SBM Offshore maintains open and active engagement with its external stakeholders through regular business interactions, including the Annual General Meeting, analyst and investor roadshows/meetings, analyst webcast presentations, press releases, website updates, surveys and desktop research.

The feedback obtained during the Materiality Analysis explained in section 1.2 forms a key element of the backbone of SBM Offshore's stakeholder engagement program. The program is complemented by other interactions with stakeholders, in order to validate findings and the feedback received feeds into management's approach to Materiality and long-term value creation.

Would you like to participate in SBM Offshore's 2022 Stakeholder Engagement or provide feedback for the 2022 Stakeholder Engagement? Please write to SBM Offshore at sustainability@sbmoffshore.com.

5.1.4 TASKFORCE FOR CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD)

MANAGEMENT APPROACH

Mitigating the impacts of climate change while meeting the needs of the future by facilitating the energy transition are key for SBM Offshore. The Climate Change Risk & Opportunity assessment is embedded in the portfolios of the CEO and CGCO. The Global Sustainability Director – who reports to the CSO in the CEO portfolio – prepares Climate Change scenarios whereas the Group Risk Manager – reporting to the CGCO – facilitates expert sessions to identify Risks & Opportunities for each scenario. This has been done with risk management professionals and SBM Offshore's Group Strategy team first, followed by validation with business owners and the Risk Assurance Committee.

Frameworks from the TCFD have been used to structure the assessment, more specifically the TCFD's Technical Supplement. SBM Offshore has applied the following steps:

1. Ensuring Governance to integrate Climate Change Scenario analysis into Strategic planning and Enterprise Risk Management (ERM).
2. Assessment of the Materiality of Climate Change related risks and opportunities with business- and functional experts.
3. Identification and definition of range of Climate Change scenarios.
4. Evaluation of business impact per scenario together with business owners.
5. Identification of potential responses.
6. Documentation in a Climate Change outcome presentation and embedding in SBM Offshore's ERM system as well as Disclosure as per this Annual Report and internal presentations.