

2022
ANNUAL
REPORT



TRUE.
BLUE.
TRANSITION.

2 PERFORMANCE REVIEW AND IMPACT

OVERALL IMPACT

Overall, SBM Offshore is confident it was able to live up to stakeholder expectations, delivering on progress on the energy transition, solid economic performance, timely project execution and operational uptime. SBM Offshore has been able to finance projects while maintaining an open dialogue on ESG performance with key lenders. SBM Offshore regrets incidents at *FPSO Cidade de Anchieta* and *FPSO Prosperity*, explained in sections 2.1.4.4 and 2.1.2. These events confirm the need for continuous priority for safety in SBM Offshore's projects and operations.

SBM Offshore aims for a positive impact along the energy transition, needed in the light of climate change. In doing so, SBM Offshore faces potential dilemmas on topics material to the business (1.2.2) and significant risks to the business (1.4.2). A key dilemma is balancing the need for affordable energy compared to global ambitions on climate change. The trade-offs are carefully balanced in taking a course compatible with net-zero (1.4.3).

Other dilemmas include like Human Rights, the safety of employees, risks of fraud and bribery and impacts through potential events harming the environment and ensuring a diverse workforce. The strain on people associated to resource intense, high-stakes projects, have a risk to physical and mental fatigue of employees in this industry.

SBM Offshore is making progress on its ambitions and longer term objectives explained in section 1.1.3. Examples are the milestones reached in net-zero product development, the embedding of Human Rights training on SBM Offshore's projects and living up to zero-tolerance for misconducts. This chapter explains SBM Offshore's approach to above dilemma's, outcomes over the past year and steps planned for the future.