

2022
ANNUAL
REPORT



TRUE.
BLUE.
TRANSITION.

2.1 PERFORMANCE REVIEW

This section gives an overview of SBM Offshore's performance on the material topics as presented in section 1.2.2 and explains how it has dealt with potential and actual impacts on the environment and society. Impacts on the UN Sustainable Development Goals and local impacts are explained in section 2.2.

The execution of this work is delegated to the business and functions as mentioned in this section, with performance management supervised by the Management Board. For further details on governance, refer to chapter 3.

2.1.1 ETHICS AND COMPLIANCE

MANAGEMENT APPROACH

In all the communities in which it operates, SBM Offshore is committed to conducting its business honestly, ethically, and lawfully. Integrity is vital to maintaining the trust and confidence of stakeholders in SBM Offshore's long-term value creation. SBM Offshore does not tolerate bribery, corruption, fraud, or violations of trade sanctions, anti-money laundering or anti-competition laws, or any other illegal or unethical conduct in any form by anyone working for, or on behalf of, SBM Offshore. More on how SBM Offshore manages ethics and compliance can be found on its website.

All employees, and those working for or on behalf of SBM Offshore, must embrace and act in accordance with the core values of SBM Offshore (see section 1.3.1), the Code of Conduct and SBM Offshore's internal policies and procedures.

SBM Offshore fosters a culture of trust and inclusion, where dilemmas are openly addressed. SBM Offshore's aim is to enable its employees and business partners to make the right decisions, with commitment to integrity at all levels. SBM Offshore is an active member of International Chambers of Commerce Nederland and Transparency International NL.

For further details on SBM Offshore's management approach, its purpose and its assessment, refer to sections 1.4.1, 3.6 and 3.6.2.

How SBM Offshore measures performance

SBM Offshore uses a single and integrated platform to manage compliance tasks. All staff, including the Management Board and Executive Committee, are required to complete their assigned compliance tasks. The platform is continuously improved and uses data to predict and avoid compliance risks. It allows SBM Offshore to standardize and automate processes where possible,

aiming for a high level of quality, effectiveness and efficiency.

The compliance platform includes the following tools:

- Compliance e-Learning, with training hours and completion ratio data available by employee target group.
- Automated continuous monitoring of third parties (due diligence process).
- Registration and approval of charitable contributions and sponsorships.
- Gifts, hospitality and entertainment registration and approval.
- Annual compliance statements of designated staff.

As part of performance management processes, SBM Offshore sets, monitors and reports on compliance KPIs. Quarterly compliance reports – including follow-up to action for improvement – are discussed with the Management Board and the Audit Committee of the Supervisory Board.

2022 PERFORMANCE

Notable developments and achievements in 2022

- Renewed Code of Conduct e-Learning (with focus on behavior) for all staff.
- Speak Up and (leadership) behavior part of leadership development training and employee onboarding.
- Tailored (behavior-based) compliance training for high-risk functions.
- Expanded reach through nomination of offshore compliance ambassadors in Guyana.
- Vendor days to share good conduct practices and lessons learned.
- No confirmed instances of corruption occurred during 2022.

Metrics

The number of employees eligible to file the Annual Compliance Statement in 2022 was higher than in 2021 (4,936 employees in 2022 versus 4,357 in 2021). The number of compliance training courses completed in 2022 also increased (11,960 training courses in 2022 versus 11,011 in 2021).

Annual Compliance Statements	Designated Staff ¹
Number of employees per year-end	4,936
Onshore Completion ratio	94%
Offshore Completion ratio	82%

¹ Designated Staff reflects all onshore staff and offshore leadership

2 PERFORMANCE REVIEW AND IMPACT

Compulsory Compliance Task Completion ¹	All Staff
Number of employees per year-end	6,966
Onshore Completion ratio	95%
Offshore Leadership Completion ratio	90%
Offshore non-Leadership Completion ratio ²	59%

1 Including Code of Conduct, theme based e-Learning courses and annual compliance statements

2 Completion ratio impacted by reachability, subject to continuous improvement

Overall number of Compliance Trainings conducted in 2022 worldwide	Trainings	Training hours
Face-to-face trainings ¹	1,722	2,856
e-Learnings ²	10,238	7,616
Total	11,960	10,472

1 An employee can have attended multiple face-to-face trainings

2 An employee can have completed multiple compliance e-Learning courses

Face-to-face training categories	Trainings	Training hours
Annual Code of Conduct training	423	695
Targeted Compliance topic training ¹	1,244	2,107
Training of third parties ²	55	54
Total	1,722	2,856

1 Training on relevant Compliance topics for risk based target audiences

2 Mainly strategic vendors, contracted yards and manpower agencies

Speak Up Line reports	Total
Reports received under SBM Offshore's Speak Up Policy	115

FUTURE

In 2023, SBM Offshore aims to continuously strengthen compliance management and control by focusing on the importance of the right behavior and through continuous alignment with business needs and priorities. SBM Offshore will continue to embed compliance by:

- Promoting a speak-up culture.
- Developing leadership competencies to foster an inclusive and psychologically safe culture.

- Further developing digital tools.
- Increasing monitoring and reporting capabilities by progressing to data-driven compliance.
- Applying a risk-based approach to third-party screening.

2.1.2 EMPLOYEE HEALTH, SAFETY AND SECURITY

MANAGEMENT APPROACH

Due to the nature of its business, SBM Offshore is committed to safeguarding the health, safety and security of its employees, subcontractors and assets, as well as minimizing the impact of SBM Offshore's activities on local ecosystems and proactively protecting the environment. To manage, prevent and mitigate potential negative health and safety impacts, SBM Offshore applies controls and safeguards based on a lifecycle hazard management process and an integrated management system, the Global Enterprise Management System (GEMS). In line with SBM Offshore's HSSE Human Rights and Process Safety Policy statement endorsed by the Management Board, SBM Offshore defines its HSSE requirements relative to its hazard exposure in compliance with applicable legal requirements and ISO standards, as well as international oil and gas practices.

SBM Offshore is continuing the journey towards 'Target Excellence', with the objectives of No Harm, No Defects, No Leaks. For the No Harm goal, SBM Offshore expects employees and contractors to intervene on unsafe acts, unsafe conditions and non-compliance with the Life Saving Rules, stop the work if they feel anything is unsafe and report any interventions and incidents.

2022 PERFORMANCE

SBM Offshore assesses company HSSE performance through a set of indicators. The following table provides the **targets** set for 2022 and the performance achieved:

Indicator	Target	Performance	Details
Total Recordable Injury Frequency Rate (TRIFR)	<0.15	0.12	Section 5.3
Significant Injuries and Fatalities (SIF) ¹	na	2	Section 5.3
Tier 1 + Tier 2 PSE	< or equal to 3	12 ²	Section 5.3
Occupational Illness Frequency Rate (OIFR) ³	na	0.00	Section 5.3
Security incidents	na	1	na

1 Replacing the High-consequence work-related Injury Frequency Rate from 2022 onwards

2 E.g.related to marine systems releases with no impact to people

3 For employees