

2022 ANNUAL REPORT



TRUE.
BLUE.
TRANSITION.

2 PERFORMANCE REVIEW AND IMPACT

Compulsory Compliance Task Completion¹

	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

Construction incident

In August, a section of the quayside alongside the FPSO *Prosperity* in a Singaporean yard gave way as a result of which a contractor was fatally injured. SBM Offshore regrets this tragic incident. An Incident Investigation was performed, raising corrective and preventive actions to avoid similar events in the future.

SBM Offshore continued to expand HSSE initiatives in 2022, including:

- Started rolling out the Serious Injuries and Fatalities (SIF) Prevention program and its related initiatives.
- Continued rolling out the Hazards and Effects Management Process (HEMP) in operation and execution scopes. The HEMP is the name of SBM Offshore's approach to manage the risk of Major Accident Hazards (MAHs) and their associated potential Major Accident Events (MAEs) associated with the operations of the fleet. The HEMP runs throughout the life cycle of an asset.
- Continued the roll out of the Incident Management/Corrective Action Preventive Action (IM/CAPA) module in the new ERP system to upgrade the existing system.
- Increased health and well-being awareness and health programs, including on preventable diseases.
- Maintained security controls on SBM Offshore's activities.

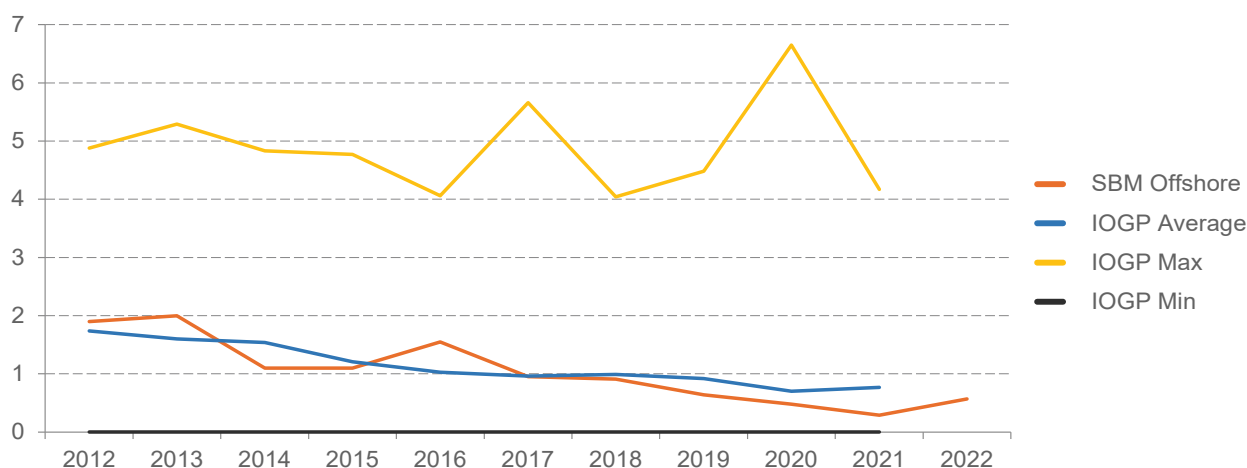
- Organized the company-wide Life Day.
- Maintained compliance with certification requirements on shore bases and offshore units.
- The MedFit Program, kicked off end of 2022, is a medical examination administered by SBM Offshore in partnership with International SOS.

In the journey to Target Excellence, SBM Offshore has engaged with workers and representatives to improve HSSE standards and ways of working – through Inherent Safety Design, a solid Permit to Work system and the Safety Leadership program across SBM Offshore.

The following graph shows that SBM Offshore's Total Recordable Injury Frequency Rate has remained below the International Association of Oil and Gas Producers' (IOGP) average since 2018⁴.

⁴ For this graph normalized per 1 million exposure hours; includes IOGP Contributing Members (maximum, average, minimum).

TOTAL RECORDABLE INJURY FREQUENCY RATE (normalized per 1 million exposure hours)



FUTURE

SBM Offshore has defined the following 2023 targets:

- To achieve a TRIFR better than 0.14.
- To have no more than 3 Tier 1 PSE with more than 3 severity weight points as per API 754.

SBM Offshore has planned the following key initiatives for 2023:

- Progress in Occupational Safety with the SIF Prevention program and its related initiatives.
- Drive improvements on Process Safety tools, procedures and practices, moving towards the consolidation of HEMP in operation and execution scopes.
- Maintain security controls on SBM Offshore's activities.

2 PERFORMANCE REVIEW AND IMPACT

- Continue increasing health and well-being awareness and related programs, with a special focus on mental health.
- Maintain compliance with certification requirements on shore bases and offshore units.
- Organize the company-wide Life Day.

2.1.3 HUMAN RIGHTS

MANAGEMENT APPROACH

SBM Offshore is committed to respecting human rights and conducting business in accordance with the United Nations Guiding Principles for Business and Human Rights (UNGPs).

SBM Offshore's human rights commitments are embedded in its corporate values, its Code of Conduct, its Policy on Health Safety, Security & Environment (HSSE), Human Rights and Process Safety and its Human Rights Standards. These documents set out the commitments and principles to be upheld by SBM Offshore's employees, suppliers and partners.

Human Rights targets and performance align with SBM Offshore's adoption of the United Nations Sustainable Development Goals (SDGs) and are in line with SBM Offshore's risk appetite. SBM Offshore's long-term target is to fully embed human rights and social performance within its business undertakings. For an overview of SBM Offshore's positive and adverse impacts, section 2.2 provides an overview.

To reflect the importance to SBM Offshore of human rights and the embedding of human rights in SBM Offshore's HSSE approach, responsibility is under the Group HSSEQ Director, part of the Executive Committee. Reporting – including follow-up of due diligence and action plans – is part of this function and embedded in reporting cycles at senior management level. Over the past year, the following key issues were discussed on monitoring SBM Offshore's performance on human rights:

- the maturing of SBM Offshore's Human Rights Program and allocation of resources to embed human rights monitoring within project execution activities.
- updates on the due diligence cycle, with identification of key focus points for resolution.
- focus on human rights impacts in Southeast Asia.
- overtime framework definition to address excessive working hours.

2022 PERFORMANCE

Due diligence

SBM Offshore recognizes that some its activities can cause, contribute to, or be linked to potential or actual negative human rights impacts, especially in locations where the local regulatory framework differs from international

standards. SBM Offshore undertakes human rights assessments and due diligence on its own operations and within its supply chain in line with its risk appetite.

SBM Offshore's due diligence approach on human rights leads to an understanding of salient issues and the recording of them in a company-wide tool for continuous risk management, mitigation and prevention. As part of human rights assessments, SBM Offshore tracks progress on corrective actions of the identified human rights issues through specific action plans. From the various due diligence activities undertaken, SBM Offshore has identified and maintained its four salient issues.

SBM OFFSHORE HUMAN RIGHTS SALIENT ISSUES



FORCED LABOR



OVERTIME, PAY AND FINES



ACCOMMODATION



MENTAL HEALTH & WELL-BEING

Screening, as part of significant investments in its construction activities and supply chain, resulted in the following key outcomes in 2022:

- 10 yards, with whom SBM Offshore is considering pursuing commercial activities with, underwent a desktop due diligence screening.
- 7 new human rights due diligence assessments were completed at construction yards where SBM Offshore has ongoing activities. SBM Offshore is currently monitoring worker welfare action plans for 8 yards with ongoing construction activities, with 3 more in development and one 100% completed at end of 2022. The findings from the assessment were aligned with SBM Offshore's Salient Issues and Human Rights Standards including:
 - indicators of forced labor (as defined by ILO) mostly in relation to payment of recruitment fees, excessive overtime and substandard living conditions.
 - mental health support was insufficient for some workers, especially during COVID-19 restrictions.
 - identification of forced labor in the Asia-Pacific area of SBM Offshore's supply chain. As a result,