

# 2022 ANNUAL REPORT



TRUE.  
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statutory and insurance perspectives. One significant operational fine was paid in 2022.

Furthermore, SBM Offshore actively promoted 'Target Excellence' through diverse initiatives and deployed Lessons Learned Initiatives to improve SBM Offshore's projects and operations. SBM Offshore is proud of:

- Maintenance of SBM Offshore's ISO 9001:2015 certification, including scope extension to the Region 1 Operations activity.
- SBM Offshore's GEMS Sapphire as described in section 3.8.1.
- Deployment of a digital version of technical standards (GTS).
- Effective use of independent third parties for inspection, verification and assurance services related to Execute and Operate activities.
- Strengthening the Knowledge Management Program with a catalogue of services improving knowledge sharing and collaboration.

In 2023, SBM Offshore will build on this and put focus on leadership engagement, further improvement of leading indicator management and evolution of its enterprise management system (GEMS), including assurance and certifications.

#### 2.1.4.2 PROJECTS

##### MANAGEMENT APPROACH

SBM Offshore continues to focus on the development of its portfolio of floating solutions to deliver the best projects aligned with customer needs, building on SBM Offshore's technology expertise and track record. The success of projects is determined by performance against a budgeted schedule, cost and quality within the HSSE and Target Excellence approaches mentioned in sections 2.1.2 and 2.1.4. KPIs are set accordingly and managed through SBM Offshore's Project Directorate and Project Dashboards.

The management approach remains based on (i) an early engagement with customers; (ii) standardization in product design and execution in order to improve competitiveness, quality and time to market and to reduce emissions; and (iii) an increasing focus on the energy transition, using SBM Offshore's core competencies to develop affordable, low-carbon solutions in the FPSO as well as in the renewable and other new energy markets.

##### 2022 PERFORMANCE

Throughout the year, SBM Offshore continued to meet the additional challenge of the COVID-19 pandemic while ensuring business continuity in all projects. In addition, SBM Offshore faced new challenges related to the Russia-Ukraine war, generating substantial increases in the cost of

materials and equipment and adding time to delivery schedules. Project teams maintained their focus on project delivery and safe operations, while working together virtually, across time zones, with customers, yards and suppliers, with the aim of limiting delivery delays. Projects continued to operate in a new environment where readiness for, and mitigations of the risks of, the ongoing pandemic and the impact of Russia/Ukraine were factored into daily project execution. SBM Offshore is grateful to all the project stakeholders for making this happen.

##### FPSOs

- FPSO *Liza Unity* – SBM Offshore's first Fast4Ward® FPSO safely started up production in early 2022 and reached its zero-flaring target in less than 60 days. The FPSO has been fully handed over to the operation affiliate and is now delivering value to customer ExxonMobil, its partners and the government of Guyana.
- FPSO *Sepetiba* – Topsides modules integration and commissioning activities have progressed in the yard for this FPSO, which Petrobras will lease for 22.5 years, under a contract signed in 2019. First oil is targeted for 2023.
- FPSO *Prosperity* – The topsides modules have been integrated in Singapore and the FPSO is going through final commissioning and testing. The vessel is the first that SBM Offshore is delivering under the long-term FPSO supply agreement signed with ExxonMobil in 2019. Unfortunately, the project has suffered one fatality due to the quay collapse at the shipyard in August 2022 (referenced in section 2.1.2): activities have now resumed at an alternate location and, despite this setback, the project is progressing in line with the client's schedule, with planned completion in 2023.
- FPSO *Almirante Tamandaré* – The engineering and supply chain activities are almost complete and the construction of topsides modules is progressing both in China and Brazil. The hull has been outfitted with riser balconies and mooring porches and left drydock in early November for final outfitting and topsides integration. The vessel will operate in the Buzios field, part of the Santos basin, offshore Brazil.
- FPSO *Alexandre de Gusmão* – Detailed engineering and supply chain activities are ongoing in SBM Offshore's Kuala Lumpur office. The Fast4Ward® MPF hull is progressing well, despite a two-month lockdown at the yard in Shanghai, and it left drydock in early October. Topsides fabrication is ongoing, both in China and Brazil.
- FPSO *ONE GUYANA* – This project is for ExxonMobil on the Yellowtail development project, ExxonMobil's fourth FPSO offshore Guyana. The Final Investment Decision was reached by Exxon Mobil in 2022. Detailed design and procurement are ongoing in the Schiedam office. The EPC phase of the project is being executed in

## 2 PERFORMANCE REVIEW AND IMPACT

a joint venture with McDermott. Topsides fabrication has started in Singapore and China. The MPF 3 hull which will be used has been delivered by SWS and is under lay-up in Indonesia.

### Fast4Ward® MPF hulls

- In 2022, one Fast4Ward® MPF hull was delivered and arrived at its lay-up location in Indonesia. It will remain there until it goes to Singapore for the Yellowtail project in early 2023.
- Two MPF hulls are under fabrication: MPF 4 at SWS for *FPSO Alexandre de Gusmão* and MPF B in CMHI for *FPSO Almirante Tamandaré*.
- In 2022, the Fast4Ward® program also welcomed a seventh hull, the fifth one ordered to SWS, for which an MoU was signed with ExxonMobil Guyana, granting exclusivity for use on a future FPSO project.

### Turret Mooring Systems

Following successful completion and the 2020 delivery of all the Turret Mooring System modules for Equinor's Johan Castberg FPSO, SBM Offshore has been supporting its client Equinor to progress the turret-hull integration activities, which have shifted from Singapore to Norway.

In addition to supporting the SBM Offshore internal FPSO product line, providing expertise on mooring system designs, the TMS product line also carried out a pre-Front-End Engineering Design (pre-FEED) phase for a client and has been selected for the FEED, which will start in 2023.

### Renewables

#### Provence Grand Large

SBM Offshore is progressing on the construction of its first pilot project in floating offshore wind, which remains scheduled for commissioning in 2023. The construction and installation of three floaters for the Provence Grand Large project, jointly owned by EDF Renewables and Maple Power, will account for approximately 10% of the globally installed floating wind electricity generation capacity in 2023. This is the first floating offshore wind project under construction in France and will be the first project worldwide to be installed using tension leg mooring technology, which has minimal motion and seabed footprint. This technology enhances electricity generation and reduces maintenance costs. It is also the first floating wind project to be financed by commercial banks. Lessons learned have been integrated into SBM Offshore's Float4Wind® concept, which is optimized for mass production and competitiveness for large offshore floating wind farms.

#### Installation

As part of its offshore installation services, SBM Offshore successfully and safely concluded several offshore

operations, including the Coral FLNG hook-up, the mooring installation campaign for FPSO *Prosperity* in Guyana for Exxon Mobil and other projects. In parallel, SBM Offshore concluded the sale of its diving support and construction vessel (DSCV) SBM Installer on January 19, 2022.

### FUTURE

SBM Offshore will continue to standardize its products in line with the Fast4Ward® program while seeking to produce environmentally friendlier solutions in line with its emissionZERO® program. In addition, SBM Offshore will continue to fine-tune its product offering to offer competitive and industrialized solutions to the floating offshore wind, wave and other new energy markets. SBM Offshore is in the energy transition business and will continue to develop new products to serve its mission of reducing emissions and developing new cleaner energy solutions.

#### 2.1.4.3 SUPPLY CHAIN

##### MANAGEMENT APPROACH

The current business environment is driving major changes, with risk resilience and new market and environmental standards requiring that the supply chain organization adapts and evolves. To continue the drive towards the energy transition with the highest level of safety, performance and quality, the supply chain management continues its evolution into a strategic globalized function. Leveraging long-term relationships with key supply chain partners contributes to accelerating the time-to-market objective and cost-competitiveness in the proposal phase.

The pandemic and the geo-political context have demonstrated the value of 'framing global, acting local' and aligning supply chain strategy with the product life-cycle. The supply chain organization contributes to SBM Offshore's strategy as described in section 1.3.2 and is part of the Global Resources & Services organization explained in section 1.3.3.

### 2022 PERFORMANCE

The supply chain organization has continued developing further around six strategic pillars to enhance the resilience of the function as a whole.

#### Supply Chain Excellence

- Strengthening the performance of the function on a global scale to include Projects, Operations and non-Project related business with the following activities:
  - Continue developing Quality Assurance and Quality Control capabilities within Supply Chain.
  - Expanding the effectiveness of SBM Offshore's enterprise management processes by continuously learning from experience and upgrading processes