2022 ANNUAL REPORT

SBM OFFSHORE

TRUE.
BLUE.
TRANSITION.

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

specifically related to vendor performance assessment, purchasing, post order management and vendor qualification.
- Driving key global issues such as data capabilities, human rights and sustainability goals within the Supply Chain community.

Strategic Sourcing

- Strategic early engagement with vendors during the proposal phase of SBM Offshore's projects to realise increased cost-competitiveness and accelerated time-to-market.
- Co-development with key vendors on energy transition initiatives and new technology for lower emission solutions for FPSOs.
- Strengthen business alignment between SBM Offshore and its supply chain community with dedicated workshops and global events such as an annual Global Vendor Day.

Product Focus in Supply Chain

- Optimize resource management on SBM Offshore's projects to maximize utilization of skill sets, for example by developing a piping procurement hub in India, servicing all projects.
- Further alignment with the Product Line organization with a dedicated capability for FPSOs, and renewable projects, strengthening post-order management capabilities.

Energy Transition

- Work with key vendors to co-develop technologies for carbon capture.
- Assess scope 3 emissions for key components on SBM Offshore's FPSOs and work with key vendors to explore avenues to reduce emissions.
- Support renewable product focus for development of new energy projects.

SUPPLY CHAIN ORGANIZATION PRINCIPLES

Supply Chain Excellence

Driving a multi-faceted global approach to strengthen the function's performance and measurement of key performance indicators across all aspects of SBM Offshore's business and across all SBM Offshore's regional centers.

Strategic sourcing

Developing and fostering a climate of collaborative partnerships with SBM Offshore's key suppliers to enhance cost competitiveness, time to market and co-development initiatives.

Product focus

Enhancing product based post order management capabilities by effective adherence to SBM Offshore's processes and resource management tools and techniques to maximize utilization of skills to deliver defect free fit for purpose products.

Energy transition

Assessing current scope 3 emission levels to set baselines for future collaborative work with SBM Offshore's suppliers towards reducing emissions whilst supporting SBM Offshore's renewable energy projects.

Regional development

Diversifying and developing the supply chain talent pool across all SBM Offshore's centers to integrate regional skills and expertise into SBM Offshore's core business activities.

Digital transformation

Transforming supply chain into a data driven function whilst retaining traditional execution expertise across all supply chain activities.

Regional Supply Chain Development

- Utilize regional supply chain skills and market knowledge from local talent in Bangalore (India), Rio de Janeiro (Brazil) and Shanghai (China).

Digital Transformation

- Major contributor in the design and implementation of SBM Offshore's global ERP system.
- Work with the external supply chain community to support digital-twin objectives.
- Support the data-migration activities to enable automated data-driven reporting and performance measurement of the function.

Performance Measurements:

- 12 Steering committee meetings organized with strategic vendors.
- 3,045 vendors qualified as of October 31, 2022.
- 99.6% of vendors have signed the Supply Chain Charter.
- 295 vendors have responded to SBM Offshore supply chain organization's new human rights assessment.

FUTURE

Next year, Supply Chain will continue its evolution towards a strategic globalized function to achieve and maintain high standards of performance across all areas of its business including, but not limited to, supporting human rights, climate change measures, digitalization, quality assurance and quality control, resource and talent management across all SBM Offshore's centers, enterprise management systems, vendor performance and qualification assessments, and energy transition measures.

2.1.4.4 FLEET

MANAGEMENT APPROACH

The 'Ocean Infrastructure' value platform encompasses a fleet of 15 FPSOs and 1 semi-submersible unit, geographically distributed across the globe. To support the energy transition, the fleet aims to provide traditional hydrocarbon energy with the lowest possible (carbon) emissions during the production phase. The fleet adheres to, and applies, the management approach of the wider SBM Offshore organization. Key to this are policies, commitments and mechanisms described in sections 2.1.2 and 2.1.4. Through the company-wide 'Target Excellence' program, SBM Offshore drives its ambition for exemplary occupational safety, process safety and quality performance in order to achieve the goals of: 'no harm, no leaks, and no defects'. There is a sharp focus on continuous improvement. This is achieved by identifying learning opportunities and embedding the resultant lessons into SBM Offshore's corporate memory; the Group Enterprise Management System (GEMS) and Group Technical Standards (GTS).

An experienced workforce comprised of more than 3,200 personnel ensures the safe, reliable and efficient operation of SBM Offshore's offshore assets, generating predictable and sustainable revenue and operating cash-flows for the business.

The SBM Offshore fleet had the following historic performance:

- Over 6.9 billion barrels of production cumulatively to date.
- 10,521 oil offloads cumulatively to date.
- 374 cumulative contract years of operational experience.

SBM Offshore employs a proactive (risk-based) approach to Asset Management, leveraging digital reliability and integrity solutions to automate surveillance, enabling a more optimized deployment of resources and increased efficiency. To ensure that SBM Offshore's activities have a positive and sustainable impact on the local communities in which SBM Offshore is present, the fleet has several programs, aligned to the UN Sustainable Development Goals, focused on well-being and personnel development, emission reduction and protecting the environment.

FLEET PERFORMANCE

HSSE and Process Safety Performance

The volume of activity significantly increased in 2022, with the addition of work scopes that were deferred during the COVID-19 crisis. This increased activity has, in part, led to higher incident rates in the fleet this year. Actions were implemented to halt this trend and stabilize the situation in the fourth quarter.

Despite these challenges, various initiatives and developments to enhance operational safety, process safety, quality and efficiency were progressed throughout the year:

- Deployment of a new health and wellbeing program.
- Continued focus on Process Safety Management, barrier management and enhanced Marine Safety.
- Implementation of a full suite of e-learning, including additional Marine Process Safety and Sustainability training.