

2022
ANNUAL
REPORT



TRUE.
BLUE.
TRANSITION.

2 PERFORMANCE REVIEW AND IMPACT

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.

Incident – FPSO Cidade de Anchieta

On January 22, 2022 there was observation of oil near FPSO Cidade de Anchieta. The production was shut down and anti-pollution measures were deployed. The estimated volume of oil released in relation to the incident stands at 191m³ which was reported to local authorities. While SBM Offshore regrets this incident, the FPSO remained safe and under control, minimizing the impact to the environment, with no reports of oil reaching coastal areas. SBM Offshore has taken precautionary actions for the integrity of assets operated elsewhere in the world and took lessons for the future. For financial impact of the incident, please refer to section 4.3.1.

Development of Operations

In 2022, FPSO *Liza Unity* joined the fleet in Guyana, achieving first oil on February 11, 2022. In Brazil, FPSO *Capixaba* finished production on May 21, 2022, and decommissioning commenced.

- A new tactical center was opened in Porto, Portugal, centralizing competencies and improving the support provided to the operations in 'Region 2' (Guyana, Equatorial Guinea, Angola and Malaysia).
- The Digital Function has been consolidated to facilitate development of digital solutions across the full product life-cycle.
 - A 'Robotics Program' has been initiated, with a 5-year roadmap to create a new technical discipline that will develop and deploy robotics technology in the fleet. The program has three key objectives: improve human safety, optimize working practices and enhance asset integrity. SBM Offshore's digital

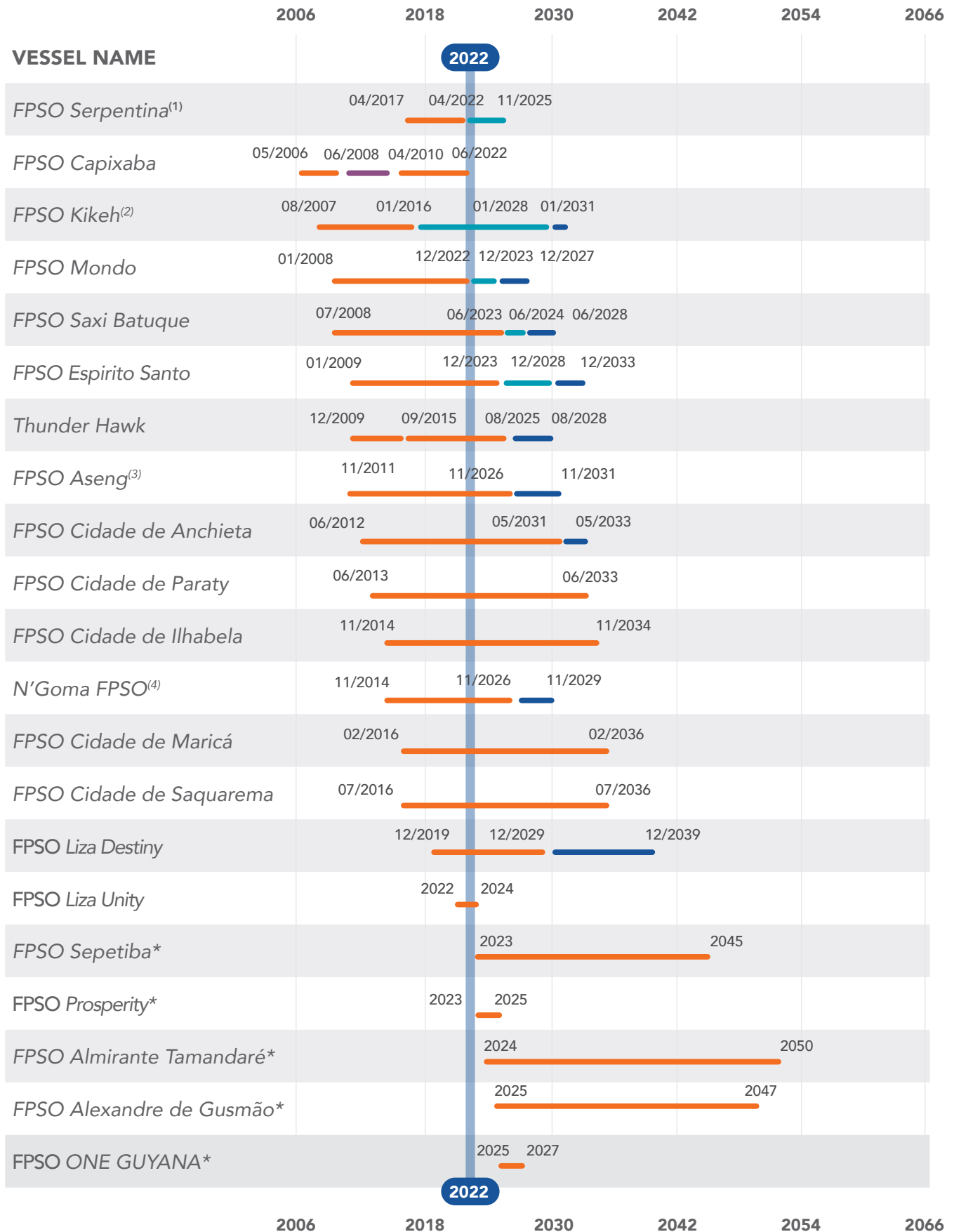
transformation program continues with focus on creation of value from data, to make operational activities safer, more reliable and more efficient.

- The deployment of a new ERP system in Brazil in February 2022 adds to improving the efficiency and performance of the business. The ERP system is now generating high-quality structured data that is used to generate the business intelligence necessary to identify further efficiency and performance improvement opportunities.
- Improvements have been realized by further increasing the stability of the gas processing systems and improving data-analytics. SBM Offshore continued the development of new tools to increase the visibility of emission sources so that their impact can be reduced or eliminated. For emissions performance please refer to section 2.1.7.

OPERATIONS FLEET

VESSEL NAME	CLIENT	COUNTRY	1ST OIL/GAS DATE
<i>FPSO Serpentina⁽¹⁾</i>	MEGI	E.GUINEA	2003
<i>FPSO Capixaba</i>	PETROBRAS	BRAZIL	2006
<i>FPSO Kikeh⁽²⁾</i>	PTTEP	MALAYSIA	2007
<i>FPSO Mondo</i>	EXXONMOBIL	ANGOLA	2008
<i>FPSO Saxi Batuque</i>	EXXONMOBIL	ANGOLA	2008
<i>FPSO Espirito Santo</i>	SHELL	BRAZIL	2009
<i>Thunder Hawk</i>	QUARTERNORTH/DAA	USA	2009
<i>FPSO Aseng⁽³⁾</i>	NOBLE ENERGY	E.GUINEA	2011
<i>FPSO Cidade de Anchieta</i>	PETROBRAS	BRAZIL	2012
<i>FPSO Cidade de Paraty</i>	PETROBRAS	BRAZIL	2013
<i>FPSO Cidade de Ilhabela</i>	PETROBRAS	BRAZIL	2014
<i>N'Goma FPSO⁽⁴⁾</i>	ENI	ANGOLA	2014
<i>FPSO Cidade de Maricá</i>	PETROBRAS	BRAZIL	2016
<i>FPSO Cidade de Saquarema</i>	PETROBRAS	BRAZIL	2016
<i>FPSO Liza Destiny</i>	EXXONMOBIL	GUYANA	2019
<i>FPSO Liza Unity</i>	EXXONMOBIL	GUYANA	2022
<i>FPSO Sepetiba*</i>	PETROBRAS	BRAZIL	2023
<i>FPSO Prosperity*</i>	EXXONMOBIL	GUYANA	2023
<i>FPSO Almirante Tamandaré*</i>	PETROBRAS	BRAZIL	2024
<i>FPSO Alexandre de Gusmão*</i>	PETROBRAS	BRAZIL	2025
<i>FPSO ONE GUYANA*</i>	EXXONMOBIL	GUYANA	2025

■ Initial Lease Period
 ■ Contractual Extension Option
 ■ Confirmed Extension
 ■ Conversion



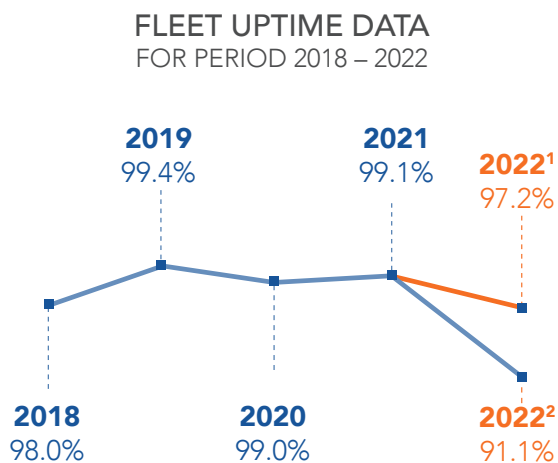
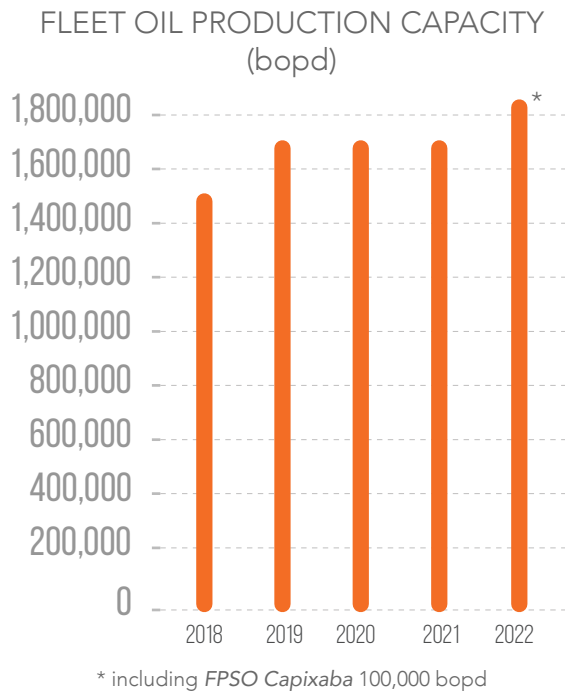
(1) FPSO Serpentina is owned by the client and is operated by Gepsing – a subsidiary between SBM Offshore (60%) and GEPetrol (40%)

(2) Life Extension Studies to potentially extend term up to 2037 commenced
* Under construction

(3) Noble Energy EG Limited is now a wholly-owned indirect subsidiary of Chevron Corporation

(4) ENI Angola SpA merged with BP to form a new Incorporated Joint Venture in Angola ('Azule Energy')

2 PERFORMANCE REVIEW AND IMPACT



1. Fleet uptime without FPSO Cidade de Anchieta
2. Actual combined fleet uptime

Asset Management

In 2022, a new Asset Management philosophy was introduced, with the following '4 Lines of Defense':

1. Surveillance and prediction: Leveraging digital and artificial intelligence solutions to perform surveillance and early identification of potential anomalies.
2. Assurance: Enriched asset management tools to improve the quality of maintenance and inspection activities.
3. Recovery: Integrated anomaly management to ensure that all actions are addressed according to their priority.
4. Continuous improvement: Feedback of operational experience into the design process.

During the COVID-19 crisis, the focus was to sustain the business through a very challenging period. To this end, certain hull (integrity) inspection activities were deferred. This year, SBM Offshore has initiated a program to complete the (outstanding) hull inspection campaigns on all assets. These activities are highly labor intensive and investment in additional accommodation solutions will be required to deploy the resources necessary to complete these work scopes in a timely manner.

Responsible Recycling

SBM Offshore commits to responsible recycling of assets at the end of their lifecycle, performed in full compliance with SBM Offshore's Responsible Recycling Policy and relevant EU regulations.

The MOPU Deep Panuke PFC responsible recycling project, performed locally in Nova Scotia, continued throughout 2022. This project contributed to Sustainable Development Goals by promoting local economic development, establishing traceable waste management streams, supporting habitat creation through deployment of 'reef balls' in the surrounding harbor and by sponsoring local education and First Nation projects. More information on recycling is found in section 1.3.3.

FUTURE

SBM Offshore's core values and responsible business approach underpins an operating philosophy that prioritizes the health and well-being of all personnel, both internal and external. The competency framework will be further developed to ensure that personnel possess the necessary knowledge, skills and behaviors to perform their work safely and reliably. The global Process Safety Management (PSM) team will be strengthened, to support the implementation of the latest 'barrier management' practices. The 'Digital Field Worker' program, an integrated package of digital solutions that will assist SBM Offshore personnel perform their tasks with greater efficiency and consistency will be introduced next year.

New Fast4Ward® assets will join the fleets in Brazil and Guyana leading to growth offshore and onshore:

- In Guyana, preparations are ongoing for the arrival of FPSO *Prosperity* in 2023 and FPSO *ONE GUYANA* in 2025. SBM Offshore continues to expand and embed its presence in-country, working with the local community on several social and environmental projects.
- In Brazil, the three new assets (*FPSO Sepetiba*, *FPSO Almirante Tamandaré* and *FPSO Alexandre de Gusmão*) will be supported from the Rio office and preparations are ongoing for the arrival of *FPSO Sepetiba* in 2023.

The newly established 'Robotics Program' will continue to develop and deploy robotics technology in the fleet. The

hull integrity program is being evolved to incorporate the latest inspection techniques and technologies to secure floating assets throughout their operating life.

SBM Offshore has set long-term targets for emission reduction in downstream leased assets that will support SBM Offshore's contributions to Climate Change Mitigation and path to net-zero, as explained in sections 1.4.3 and 2.1.7. One of the commitments is to engage with clients and joint venture partners to ensure the fleet is aligned with a path towards net-zero, as per SDG 7 commitment explained in section 2.2.

2.1.5 RETAINING AND DEVELOPING EMPLOYEES

MANAGEMENT APPROACH

In 2022, SBM Offshore focused heavily on talent acquisition. With its mission to decarbonize oil and gas production and develop new technologies for future solutions, SBM Offshore is working hard to attract employees that are motivated to contribute to the energy transition. As a largely project business, the emphasis was on increasing capacity, through both permanent employment and the flexible component of the workforce, to ensure the business can respond, in an agile way, to current and future demands. SBM Offshore equally focuses on retaining and developing its people. Committed to training its leaders, SBM Offshore is preparing employees for the challenges ahead and ensuring their skills match the competencies needed to fulfill ambitions as a leader in the energy transition.

SBM Offshore equally monitors and protects employee health and well-being, especially considering the difficult operational circumstances. To ensure impactful actions are taken on behalf of its people, SBM Offshore manages feedback and follow-up plans throughout the employment lifecycle on topics such as workload, diversity and inclusion, career perspective and satisfaction.

2022 PERFORMANCE

SBM Offshore was able to recruit 1,136 new staff, particularly in China, India and Guyana, and opened a new office in Portugal. Newcomers are successfully preparing for their jobs through local onboarding. Digital and in-person leadership training was held to improve the necessary management skills based on SBM Offshore's 'RISE' leadership program. Further work was done on identifying SBM Offshore's technical experts to create a

career path for senior engineers. SBM Offshore also promoted its Diversity and Inclusion policy and established data sets in operational reporting to further safeguard equitable treatment of its current and future workforce. The global community of Diversity & Inclusion Ambassadors also organized local events driving awareness on topics such as: gender equity on International Women's Day, Pride Month (LGBTQ+), cultural diversity, autism, refugee integration and racial equality.

In addition to the engagement surveys, a dedicated mental-health and well-being survey was launched in 2022 in cooperation with the provider of SBM Offshore's Employee Assistance Program to further inform continuous improvement. SBM Offshore is also investing in the roll-out of health-check programs to address potential areas such as fatigue and mental stress.

Key Highlights

- Workforce increased by 10% to 7,073.
- 219,234 online applications for jobs reviewed: 7,574 retained for the recruitment process.
- Proportion of flexible workers in the workforce at 27% in 2022.
- 44 average training hours per employee. This is an increase versus 2021 (34) due to new and improved digital training methods and the reopening of training centers after Covid-19.
- SBM Offshore had a turnover rate of 12%.
- SBMers achieved an engagement score of 68% in the mental health survey 2022.
- The gender pay gap SBM Offshore achieved is 0.96 globally in 2022.
- 490 people engaged in local Unconscious Biases Awareness sessions and a dedicated Unconscious Bias module was added to SBM Offshore's compulsory Compliance training for all employees.

FUTURE

With the continuing digitalization of people management systems, the aim will be to reinforce workforce planning and better anticipate and prepare for future demands. Digital tools will be further rolled out to support virtual reality and e-learning training programs, leveling up SBM Offshore's approach to both onshore and offshore employees, and garnering employee experience insights to further aid recruitment and retention efforts. SBM Offshore will deploy targeted surveys to strengthen feedback processes, in particular from candidates, recently onboarded staff, and personnel exiting the organization.