

2022 ANNUAL REPORT



TRUE.
BLUE.
TRANSITION.

3 GOVERNANCE

3.8 OPERATIONAL GOVERNANCE

Operational Governance of the Company is managed through:

- GEMS, as introduced in section 3.8.1.
- GTS, as introduced in section 3.8.2.

A detailed certification and classification table is provided in section 5.5, mapping compliance of SBM Offshore entities and sites with international certification standards and codes.

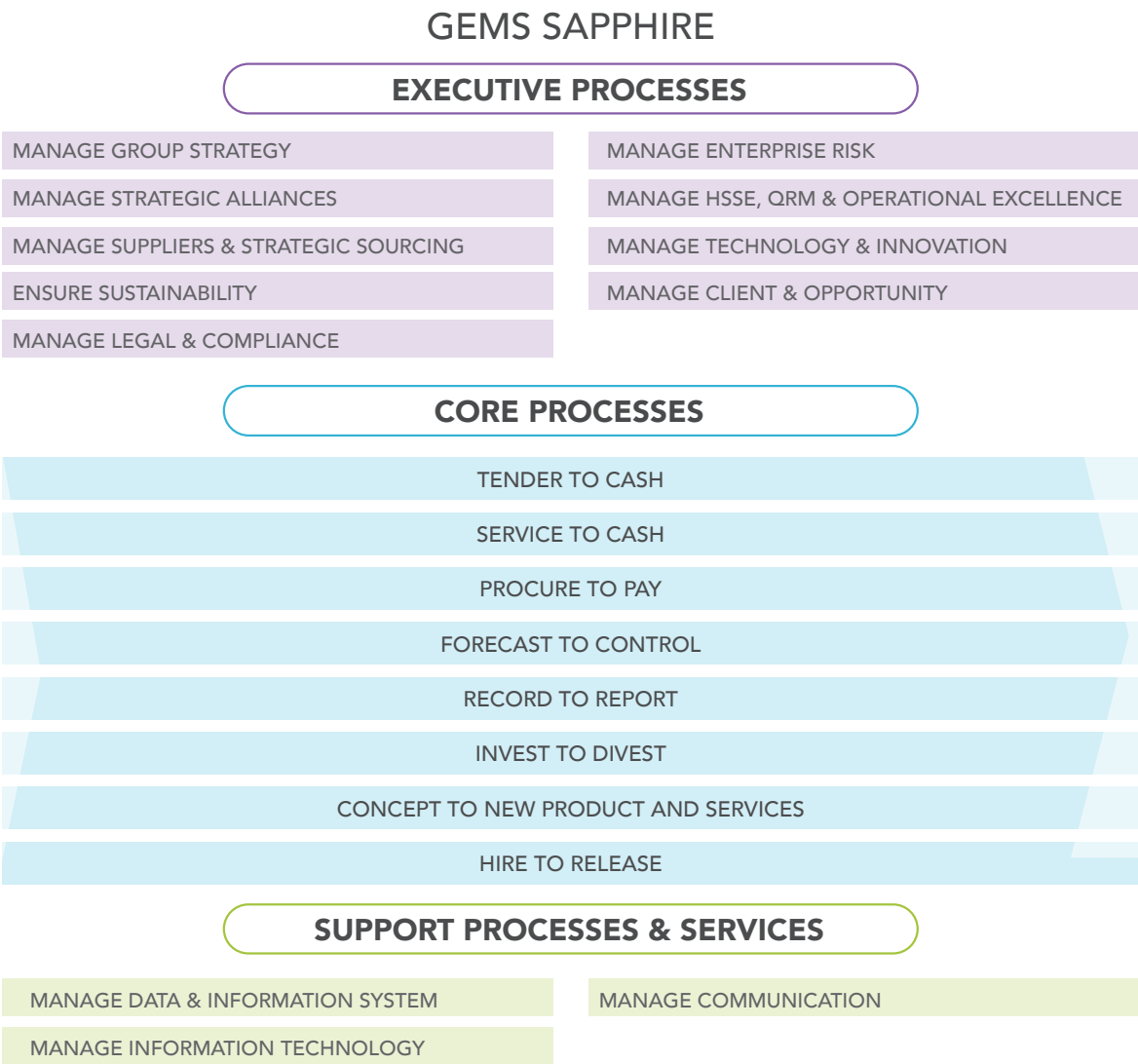
Note: for complementary details on SBM Offshore’s approach to Operational Excellence, refer also to section 2.1.4.

3.8.1 GLOBAL ENTERPRISE MANAGEMENT SYSTEM (GEMS)

The Management System is one of the key enablers for the Company to perform its business activities in a consistent,

reliable and sustainable manner, meeting client expectations, adapting to new challenges and continuously improving ways of working.

The Management System of SBM Offshore is called the Global Enterprise Management System (GEMS) and is based on several international standards and other good practices. GEMS is the core of a broader ecosystem, including software solutions (e.g. LUCY, SBM Offshore’s Human Capital Management System) and other elements such as SharePoint microsites and Group Technical Standards (GTS) as introduced in section 3.8.2. The Group’s Vision, Values (section 1.3.1) and Policies are embedded in GEMS to support the correct governance of SBM Offshore’s organization and business activities. These form the foundation processes that are consistently applied throughout all offices and fleet operations (in-country offices and vessels).



To align GEMS with the new ways of working brought by the ERP project 'Integra', a new version of GEMS, 'GEMS Sapphire', came into operation in 2022. GEMS Sapphire is structured around three main process domains: executive processes, core processes and support processes. The core processes have been modelled to show where the company generates value from its activities. GEMS Sapphire is represented as shown in the illustration. GEMS Sapphire gives clear and formal ownership of end-to-end processes and clear identification of key controls. It provides a cohesive framework for quality and regulatory compliance, health and safety, security of personnel and assets, protection of the environment, as well as risk and opportunity management throughout the product lifecycle, ensuring the Company's sustainability. GEMS can be accessed in its entirety via the Company's intranet which ensures easy access to all employees.

3.8.2 GROUP TECHNICAL STANDARDS (GTS)

A key driver for the cost of new projects is the technical standards to be applied in addition to the local regulatory requirements. Typically, these standards fall into three categories – customer standards, contractor standards or a hybrid set of customized standards. In the current climate of severe cost-pressure, there is a logical push in the industry towards wider acceptance of contractor standards. By leveraging its expertise – notably through its Fast4Ward® program – SBM Offshore can minimize project customization and efficiently deliver more standard products, with significant cost and schedule savings.

To support this approach, the Company has, over the years, established its own Group Technical Standards (GTS) by integrating key elements of its accumulated project execution and fleet operational experience. The GTS consist of a set of minimum technical requirements applicable to Company products provided to customers on a Lease & Operate basis. They ensure a consistent design approach, optimized from a lifecycle-cost perspective and integrating the Company's policies and standards with respect to personnel safety, environmental protection and asset integrity. Additionally, all GTS documents are formally reviewed and approved by Classification Societies acting as independent third parties.

The GTS are maintained by a team of internal technical authorities and experts covering all key technical aspects of Company products, providing assurance over GTS application during project execution and integrating operational feedback as part of GTS continuous improvement.

To date, the Company has executed over 23 major projects using its GTS as the basis of design since they were established in 2003. GTS are now digital and available through a Requirement Management Software since Q1 2022, providing new features for GTS users and the team in charge of GTS development. The main benefits are time-saving, enhanced search and filtering functionalities, data re-use capacity, improved overall quality and multi-support availability.

In 2023 SBM Offshore will start the development of the GTS for its renewable product line. The main benefit will be the standardization of requirements for the development of wind farms.