



2023 ANNUAL REPORT



2.1 PERFORMANCE REVIEW

This section explains how SBM Offshore has dealt with potential and actual impacts on the environment and society, focusing on Material Topics. Impacts on the UN Sustainable Development Goals and local impacts are explained in section 2.2.

The execution of this work is delegated to the business and functions as mentioned in this section, with performance management supervised by the Management Board, explained in chapter 3. An overview of policies and key processes governing each material topic is provided in section 5.1.2.

Going forward, SBM Offshore will further enhance the relevance, transparency, comprehensiveness and comparability of information disclosed about its material impacts, risks and opportunities, in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) requirements, which are due to be complied with in the 2024 Annual Report. The ESG table in section 5.4 contains references to ESRS, whilst GRI remains the reporting framework applied over 2023.

2.1.1 ETHICS AND COMPLIANCE

MANAGEMENT APPROACH

In all the communities in which it operates, SBM Offshore is committed to conducting its business honestly, ethically and lawfully. Integrity is vital to maintaining the trust and confidence of stakeholders in SBM Offshore's long-term value creation. SBM Offshore does not tolerate bribery, corruption, fraud, or violations of trade sanctions, anti-money laundering or anti-competition laws, or any other illegal or unethical conduct in any form.

SBM Offshore's aim is to enable its employees and business partners to make the right decisions, with commitment to integrity at all levels. Therefore, all employees, and those working for or on behalf of SBM Offshore, must embrace and act in accordance with the Core Values of SBM Offshore (see section 1.3.1), the Code of Conduct and SBM Offshore's compliance policies and procedures. The Code of Conduct, which builds on SBM Offshore's Core Values, is a guide for behavior and reflects the commitment of SBMers to lead the business responsibly, beyond compliance with rules.

For further details on SBM Offshore's management approach, its purpose and its assessment, refer to sections 1.4.1, 3.5.2 and 5.2.5.

SBM Offshore uses a single and integrated platform to manage compliance tasks. All staff, including the

Management Board and Executive Committee, are required to complete their assigned compliance tasks. The platform is continuously improved and uses data to predict and avoid compliance risks. It allows SBM Offshore to standardize and automate processes where possible, aiming for a high level of quality, effectiveness and efficiency.

The compliance platform includes the following tools:

- Compliance e-Learning, with training hours and completion ratio data available by employee target group.
- Automated continuous monitoring of third parties (due diligence process).
- Registration and approval of charitable contributions and sponsorships.
- Gifts, hospitality and entertainment registration and approval.
- Annual compliance statements of designated staff.

As part of performance management processes, SBM Offshore sets, monitors and reports on compliance KPIs. Quarterly compliance reports – including follow-up to action for improvement – are discussed with the Management Board and the Audit Committee of the Supervisory Board.

2023 PERFORMANCE

In 2023, SBM Offshore continued to promote a speak-up culture and adherence to the Code of Conduct through:

- Code of Conduct e-Learning for all staff (including Management Board), including speak up and non-retaliation.
- Tailored speak up and investigation training for HR leaders.
- Psychological safety part of the Executive Leadership Program.
- Tailored training for functions with higher exposure to compliance risks, such as Supply Chain Management.

Other notable developments and achievements in 2023

- Improvement of global geographical presence of the compliance team.
- Organization and focus on business needs and priorities.
- Expanded reach offshore through the Compliance Ambassadors Program.
- No confirmed instances of corruption occurred during 2023.

More on how SBM Offshore manages ethics and compliance can be found on its website and for further information about its performance, refer to section 5.2.5.

2 PERFORMANCE REVIEW AND IMPACT

Metrics

The number of employees eligible to file the Annual Compliance Statement in 2023 was lower than in 2022 (4,625 employees in 2023 versus 4,936 in 2022). The number of compliance training courses completed in 2023 decreased comparing with 2022, due to less face-to-face trainings was done (7,613 training courses in 2023 versus 11,960 in 2022).

Annual Compliance Statements	Designated Staff ¹
Number of employees per year-end	4,625
Onshore Completion ratio	89%
Offshore Completion ratio	87%

¹ Designated Staff reflects all onshore staff and offshore leadership.

Compulsory Compliance Task Completion ¹	All Staff
Number of employees per year-end	6,911
Onshore Completion ratio	91%
Offshore Leadership Completion ratio	70%
Offshore non-Leadership Completion ratio	71%

¹ Including Code of Conduct, theme based e-Learning courses and annual compliance statements.

Overall number of Compliance Trainings conducted in 2023 worldwide	Trainings	Training hours
Face-to-face trainings ¹	1,229	1,172
e-Learnings ²	6,384	4,749
Total	7,613	5,921

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	34	51
Targeted Compliance topic training ¹	1,195	1,121
Training of third parties	0	0
Total	1,229	1,172

¹ Training on relevant Compliance topics for risk based target audiences.

Speak Up Line reports	Total
Reports received under SBM Offshore's Speak Up Policy	194

FUTURE

In 2024, SBM Offshore aims to continue to drive initiatives to establish, develop and promote a compliance culture as well as policies and procedures with respect to business conduct matters.

- Promoting a speak-up culture and responsible business conduct.
- Updating compliance policies and processes.
- Upgrading digital tools.
- Increase monitoring and reporting capabilities by progressing to data-driven compliance.

- Applying a risk-based approach to third-party due diligence and monitoring.

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, contractors, subcontractors and assets, as well as minimizing the impact of SBM Offshore's activities on local ecosystems and proactively protecting the environment.

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 related 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 in unsafe acts, unsafe conditions and non-compliance with the Life Saving Rules, to stop work if they feel anything is unsafe and report any interventions and incidents.

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). The hazard management process applicable to all SBM Offshore projects consists in, first, working in the hazard identification, then selecting and conducting actions to eliminate the hazard or, if elimination is not reasonably practicable, reducing risks to acceptable levels following the hierarchy of controls approach and, later, monitoring, reviewing and recording the lessons learned. SBM Offshore delivers specialized training to ensure process effectiveness.

Promoting and supporting employee health and wellbeing is at the heart of SBM Offshore, being part of one of SBM Offshore's core values, 'Care'. At SBM Offshore, Health and Wellbeing is managed as a Group function, reporting directly to the Group HSSEQ & Sustainability Director. This ensures the embedding of the topic in day-to-day operations and culture. More on employee wellbeing is explained in section 2.1.5.