



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2020

1.3.2 AMBITION AND STRATEGY

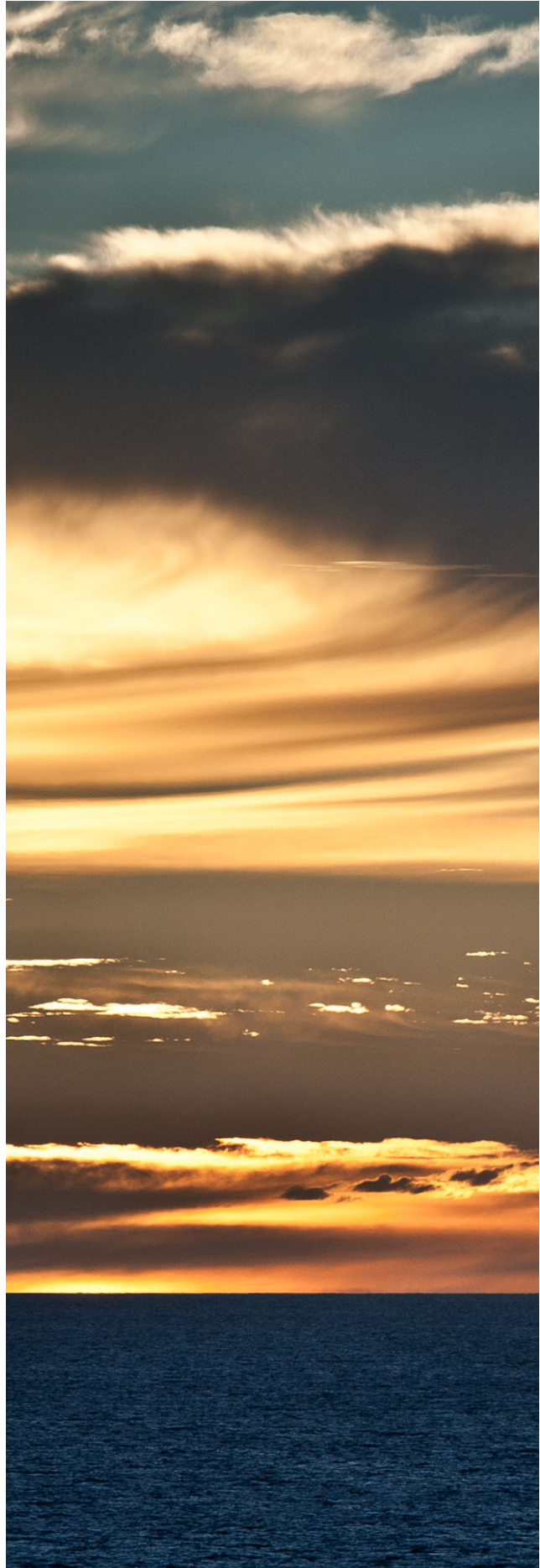
SBM Offshore believes the oceans will provide the world with safe, sustainable and affordable energy for generations to come. We share our experience to make it happen. In order to achieve its Vision, SBM Offshore has developed its strategy using scenario-planning, based on the combination of analysis of energy supply and demand, feedback from stakeholders, trends in the market, the Company's capabilities to perform in its markets and the elements in the materiality matrix (see section 1.2.2).

SBM Offshore's ambition between now and 2030 is to **grow and create long-term value for its stakeholders** and in order to do so, it has set targets and indicators in three main areas: grow free cash flow over the period, ensure a steady flow of new contracts within SBM Offshore's core business (2+ FPSOs a year) and position the Company in the gas and renewables market (to achieve 25% of the Company's revenue in this market by 2030).

In line with its Vision and ambition, SBM Offshore's strategy is based on three strategic pillars: **Optimize, Transform and Innovate** :

- **Optimize** – Improving competitiveness and delivering the backlog, with HSSE and process safety as main priorities; ensuring the highest standards of compliance, operational excellence and quality; focusing on business continuity and on cash generation and preservation.
- **Transform** – Investing in transformation programs and unlocking value for our stakeholders: Fast4Ward®, Digital Transformation, Sustainability and emissionZERO™.
- **Innovate** – Preparing for the future, investing in Technology and Innovation, and focusing on the Energy Transition.

SBM Offshore manages its performance through a balanced scorecard framework and performs scenario planning based on its own market research and that of recognized data intelligence agencies.





OUR STRATEGY AND MATERIAL TOPICS

ECONOMIC PERFORMANCE
Ambition: Grow free cashflow

ETHICS & COMPLIANCE
Zero Tolerance for deviations

HEALTH, SAFETY & SECURITY
No Harm, No Leaks, No Defects



OPERATIONAL EXCELLENCE & QUALITY
Target Excellence program

RETAINING & DEVELOPING EMPLOYEES
People Development program

MARKET POSITIONING
Fast4Ward®

Ambition:
2+ FPSOs per year

Sustainability
Action



EMISSIONS
emissionZERO™

DIGITALIZATION
Digital Transformation program

ENERGY TRANSITION
Ambition: 25% of 2030 activity
from Renewables and Gas



INNOVATION
>50% of R&D budget spent
in non-carbon technology in 2020