



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2020

Throughout 2020, the impact of COVID-19 has been felt around the world. SBM Offshore's priority has been the health and safety of its staff, contractors and their families, along with ensuring safe operations across all the Company's activities. In order to coordinate our emergency response, the Company swiftly put in place a global task force to monitor the situation, on a daily basis, across all locations worldwide.

As the pandemic evolved, the Company adapted to the new reality. In office locations, most staff worked from home and were updated on a regular basis and given advice to help them achieve a healthy balance between their professional and personal lives.

OVERALL IMPACT

Looking at our performance on the Material Topics explained in section 2.1, the Company feels confident it was able to live up to stakeholder interest. Moreover, SBM Offshore has been able to balance 'business as usual' with a global response to COVID-19 and its economic impact.

For clients in particular, the Company was able to deliver operational excellence and quality and demonstrate economic performance – both in our projects and fleet, which also benefitted our JV partners. SBM Offshore is proud to have achieved a strong health, safety & security performance during the COVID-19 pandemic.

For employees, it has been a challenging year where the Company needed to manage an increased work load and a need to raise efficiency. SBM Offshore maintained an open communication line to employees during this challenging time, remaining focus on development of people as explained in section 2.1.4.

The Company has been able to finance projects while keeping an open dialogue on ESG performance with key lenders. An enhanced supplier-collaboration approach explained under 2.1.3 is benefiting SBM Offshore's vendors and yards. The integrated approach of the Company leads directly to shareholder value in 2020.

Beyond this, the Company has made significant steps forward in the Energy Transition, its approach to reduce emissions and further contribution to Sustainable Development Goals

In summary, 2020 has been a challenging year for the world, SBM Offshore no exception. COVID-19 posed risks and challenges to the business and made people deal with operational disruptions and wellbeing impacts. On top, the

Company is involved in multiple large scale ocean infrastructure projects with ambitions to succeed in the energy transition, achieving healthy financial returns at the same time. Balancing these various elements in a time of disruption has tested the organization and its stakeholders. In the end the Company has been able to maintain operations and solid performance against targets set at the beginning of the year. Overall, SBM Offshore could be considered as a company with solid market positioning, a robust backlog generating long-term cashflow, strong operational track record and the ability to leverage its experience and capabilities to play an active role in energy transition.

2.1 PERFORMANCE REVIEW

In this section an overview is given of the Company performance on the Material Topics as presented in section 1.2.2, following the order of Optimize, Transform and Innovate as visualized in section 1.3.2.

The execution of this work is delegated to the functions as mentioned in the relevant section 2.1, with the performance management supervised by the Management Board. For further details on Governance, reference is made to chapter 3.

2.1.1 ETHICS & COMPLIANCE

MANAGEMENT APPROACH

SBM Offshore is committed to complying with all applicable laws and regulations. SBM Offshore does not tolerate bribery, corruption, fraud, violations of trade sanctions, anti-money laundering or anti-competition laws, or any other illegal or unethical conduct in any form by anyone working for, or on behalf of, the Company. All employees and those working for, or on behalf of, SBM Offshore must embrace and act in accordance with the core Values of the Company (see section 1.3.1), the Code of Conduct and the Company's internal policies and procedures. SBM Offshore fosters a culture of trust and fairness, where dilemmas are openly addressed, enabling and stimulating employees and business partners to make the right decisions, with commitment to integrity at all levels.

The Group Risk & Compliance Function continues to cooperate with other functions to further embed the principles of responsible business conduct into the organization. For further details on the Company's management approach, its purpose and its assessment, reference is made to sections 1.4.1, 3.6 and 3.6.2.

2 PERFORMANCE REVIEW & IMPACT

NOTABLE DEVELOPMENTS AND ACHIEVEMENTS IN 2020

<p>Closure of obligations under the Deferred Prosecution Agreement: The Company has satisfactorily fulfilled all obligations towards the US Department of Justice under the Deferred Prosecution Agreement of November 29, 2017.</p>	<p>Fulfillment of reporting obligations: The Company has satisfactorily fulfilled and will continue to honor its obligations under the agreement with the CGU of July 26, 2018.</p>	<p>Implementation of a remote learning and communications strategy: Deployment of a new virtual training and communication program which follows a risk-based approach.</p>
<p>Group Risk & Compliance Function (GRCF): Following the departure of the Group Risk & Compliance Director (GRCD) in May, the Corporate Legal Director has also assumed the role of Group Compliance Director (GCD). The GRCF has remained at full strength.</p>	<p>Compliance Leadership Program: Annual Compliance Leadership Program (virtual); continuous leadership dialogues with senior management.</p>	<p>Third Party management: Execution of the 2020 third-party monitoring and audit plan; formalization of joint venture payment controls.</p>
<p>Compliance risk assessments: Continuous assessment of compliance risks in countries where SBM Offshore is operational. Dedicated supply chain fraud risk assessment.</p>	<p>Compliance Days: Dedicated compliance engagement with employees, strategic vendors and contractors.</p>	<p>Introduction and revision of policies: Update of policies relating to the Company's Integrity Line, interacting with public officials and third-party audits.</p>
<p>Enhancement of the digital SBM Offshore Compliance Platform: Enhancement of the digital third-party management process; roll out and monitoring of completion of compliance processes.</p>	<p>Further enhancement of the Compliance Microsite: Update of the Compliance Intranet site to cater for the Company's Portuguese-speaking population.</p>	<p>External engagement: SBM Offshore signed the Ethos Institute's 'Empresa Limpa' Pact for Integrity and Against Corruption (Brazil) and became a member of the Business Integrity Forum of Transparency International NL.</p>

2020 PERFORMANCE

How SBM Offshore measures performance

- As part of performance management processes, the Company sets, monitors and reports on compliance KPIs for its Business Pillars, Product Lines and Operations
- Compliance training hours and completion ratios by employee target group
- Employee feedback surveys after each face-to-face and virtual training
- Annual Code of Conduct certification by staff in leadership positions
- Automated continuous monitoring of third-parties within the SBM Offshore Compliance Platform
- Use of a Company-wide tool to approve, register and monitor giving and receiving of gifts, hospitality and entertainment
- Registration, review and monitoring of integrity reports through a Company-wide Compliance Case Management System
- Integrated quarterly Group Risk and Compliance reports to the Management Board and the Audit and Finance Committee of the Supervisory Board

Metrics

The number of Ethics and Compliance training courses completed by direct hires in 2020 is substantially higher than in 2019 (7,380 training courses in 2020 versus 4,877 in 2019). The Company has increased training effectiveness by targeting specific audiences with relevant Code of Conduct topics, instead of offering generic Code of Conduct training. For example, dedicated training courses were offered to (i) the Supply Chain Function on third-party

management and (ii) financial gatekeepers on fraud identification.

Annual Compliance Statements of designated staff	Designated Staff ¹
Number of employees in Designated Staff per year-end	1,083
Onshore Completion ratio	98%
Offshore Completion ratio	76%

¹ Designated Staff reflects all employees in Hay grade 11 or above

Trained on the Code of Conduct ¹	Designated Staff ²
Number of employees in Designated Staff per year-end	3,671
Onshore Completion ratio	95%
Offshore Completion ratio	80%

¹ Trained by face-to-face training in 2020 and/or by having completed mandatory Code of Conduct e-Learning/Anti-Bribery and Corruption e-Learning

² Designated Staff reflects all Onshore Staff and Offshore Leadership

Overall number of Compliance Trainings conducted in 2020 worldwide	Trainings	Training hours
Face-to-face trainings ¹	1,812	2,749
e-Learnings ²	5,568	4,113
Total	7,380	6,862

¹ An employee can have attended multiple face-to-face trainings

² An employee can have completed multiple Compliance e-Learning courses