



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2020

2 PERFORMANCE REVIEW & IMPACT

2.1.10 MARKET POSITIONING

MANAGEMENT APPROACH

Market positioning is about global presence and engaging in emerging markets in order to adapt to market developments. Size of business, new business development and sustainability benchmarks are seen as strong indicators of a successful management approach. Examples of metrics are the performance of the fleet, the number of projects won and the Company's ESG index performance. The Company's strategy to Optimize, Transform and Innovate combined with addressing material topics leads to a market positioning for future success. Through market positioning, SBM Offshore addresses the risks under Competitiveness

mentioned in section 1.4.2. As such Market Positioning is the outcome of several activities with subsequent responsibilities, described in previous sections.

SBM Offshore aims to position itself for an order intake of 2+ FPSO's per year. Annual sustainability targets are managed and The Company is actively engaging with and learning from various ESG ratings.

2020 PERFORMANCE

Performance is detailed in subsections of 2.1. The below table provides the key items of SBM Offshore's market positioning.

Market positioning – SBM Offshore performance

	Optimize	Transform	Innovate
SBM Offshore performance	<ul style="list-style-type: none">■ Fleet size of 15■ Backlog of 21.6US\$ Bn■ 5 FPSO projects under construction■ Nearly 350 years of cumulative operating experience	<ul style="list-style-type: none">■ 1 Fast4Ward® project under negotiation, 2 Fast4Ward®MPF under construction■ Industry leader in sustainability ranking■ emissionZERO™ launch	<ul style="list-style-type: none">■ 2 projects developed in the energy transition■ 52% R&D spend into non-carbon technology
Benchmarking	<ul style="list-style-type: none">■ A leader in its market■ A leader on occupational safety■ 1st among peers to launch branded platform for emissions reduction■ 1st among peers with EPC floating offshore wind■ Industry first with a S3® type Wave Energy converter■ 1st among peers in sustainability■ 93rd Percentile Dow Jones Sustainability Index		

FUTURE

SBM Offshore is committed to safe, sustainable and affordable energy for generations to come. The Company aspires to industry leadership, by understanding stakeholder interests and increasing the size and value of the business. In 2021, the Company's focus remains the safe and reliable execution of its ongoing projects and operation of its fleet. SBM Offshore also continues to engage early with clients to further grow its backlog in its traditional and new markets. There will be further development of the transformation projects, emissionZERO™, Fast4Ward® and Digitalization and the Company will continue innovating along the energy transition. Finally, sustainability performance is key to long-term market positioning. See section 2.2. for future developments in that area.

non-financial performance, as well as on indicators for its material topics.

The Company has a Sustainability Policy which includes commitments and guiding principles for the Company and its stakeholders. SBM Offshore is committed to alignment with the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (MNE). Furthermore, to provide context for SBM Offshore's targets and performance, SBM Offshore leverages the UN SDG framework. The Company has identified seven SDGs that are most material to its business. In line with these SDGs, SBM Offshore has developed long-term targets and development roadmaps. These targets and roadmaps are built with inputs and commitments from different business entities as part of business plans and budgets.

2.2 SUSTAINABLE DEVELOPMENT AND LOCAL IMPACT

MANAGEMENT APPROACH

SBM Offshore is committed to sustainability, which contributes to the Company's Vision of providing Safe, Sustainable and Affordable Energy. SBM Offshore follows the Global Reporting Initiative (GRI) standards to report on

Sustainability is supervised by the Chief Strategy Officer, who reports to the CEO. In addition to a sustainability department, the Company has Sustainability Ambassadors in various business and functional divisions to drive the implementation of the sustainability strategy and embed it within the ways of working.