ANNUAL REPORT 2020

3.8.1 GLOBAL ENTERPRISE MANAGEMENT SYSTEM (GEMS)

A Management System is one of the key enablers for a 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). It is based on several international standards and other practices. It is the core of a broader ecosystem including software solutions (e.g. LUCY, being 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.

GEMS is structured around three main process domains known as executive processes, core processes and support processes, with the core processes further modelled into the Win, Execute and Operate phases and is represented as shown in the illustration.

Group values (section 1.3.1) and policies are embedded to support the correct governance of SBM Offshore's organization and business activities. These form the foundation of GEMS and its processes, which are consistently applied throughout all offices and fleet operations (in-country offices and vessels).

GEMS allows an integrated end-to-end approach to all the business activities of SBM Offshore and of the co-owned operating entities, with clear and formal ownership of key 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 is maintained and updated to ensure its continuing suitability, adequacy, effectiveness and alignment with the strategic direction of the company

GEMS can be accessed in its entirety via a single website which ensures easy access to all employees. On offshore vessels, the website is also accessible via a kiosk for personnel who do not have a computer assigned. In order to support the scope of our co-owned operating entities, a dedicated user profile has also been set up with access to applicable information from the central GEMS repository.

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 can fall into three categories – client 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 Clients on a Lease & Operate basis. They ensure a consistent design approach, optimized from a lifecycle cost perspective and integrating 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 20 major projects using its GTS as basis of design since they were established in 2003.