



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2020

Revised Data for 2019

	2019 Annual Report	Revised 2019 Annual Report
Number of offshore units (vessels)	12	12
SBM Offshore Production		
Hydrocarbon Production (tonnes)	53,442,908	47,492,381
Energy Consumption		
Offshore Energy Consumption ¹	61,368,370	60,720,811
Offshore Energy Consumption per Production ²	1.15	1.28
Emissions – Offshore		
Carbon dioxide (CO ₂) in tonnes	5,239,388	5,100,732
Methane (CH ₄) in tonnes	12,332	11,818
Nitrous oxide (N ₂ O) in tonnes	311	304
Flaring		
Total Gas Flared per production ³	11.87	12.77
Gas Flared on SBM Offshore account per production ³	3.95	4.30
Proportion of Gas Flared on SBM Offshore account	33%	34%
Other/Air Pollution – Non Greenhouse Gas Emissions		
Carbon monoxide (CO) in tonnes	7,335	7,095
Nitrogen oxides (NO _x) in tonnes	7,534	7,384
Sulphur dioxides (SO ₂) in tonnes	138	137
Volatile organic compounds (VOCs) in tonnes	1,315	1,259
GHG Emissions		
Offshore GHG emissions ⁴	5,640,476	5,486,881
Offshore GHG emission per Production	105.54	115.53
Discharges		
Quantity of oil in produced water discharges in tonnes per million tonnes of hydrocarbon production ⁵	5.13	5.77

1 GJ = gigajoule, energy from fuel gas and marine gas oil

2 gigajoule per tonnes of hydrocarbon production

3 tonnes of gas flared per thousand tonnes of hydrocarbon production

4 in tonnes of CO₂ equivalent

5 tonnes of oil discharged to sea per million tonnes of hydrocarbon production

4.9.3 PROCESS SAFETY REPORTING

A Loss of Primary Containment (LOPC) is defined as an unplanned or uncontrolled release of any material from primary containment, including non-toxic and non-flammable materials (e.g. steam, hot condensate, nitrogen, compressed CO₂ or compressed air).

A Tier 1 or Tier 2 PSE is defined as an LOPC from a process system that meets criteria defined in API RP 754.

LOPC events are reported in the Company's Single Reporting System as highlighted in sections 2.1.2 and 4.10.1. This system includes a built-in calculation tool to assist the user in determining the release quantity of LOPC events. All LOPCs are analysed to identify those considered to be PSEs as per API RP 754. Process Safety KPIs used by the Company include the number of Tier 1 and the number of Tier 2 PSEs.

4.9.4 HUMAN RESOURCES REPORTING

The Company's Human Resources (HR) data covers the global workforce and is broken down by region (continents) and employment type. The performance indicators report on the workforce status at year-end December 31, 2020. They include all staff assigned on unlimited or fixed-term contracts, employee new hires and departures, total number of locally-employed staff from agencies, and all crew working on board the offshore operations units and shore bases.

4 CORPORATE STATEMENTS 2020

HEADCOUNT, TURNOVER, TRAININGS, EQUAL REMUNERATION & NATIONALIZATION

Human Resources considers :

- 'Direct Hire' employees as a staff member holding a labor contract for either an unlimited or a defined period (or an offer letter for an unlimited period in the USA). Direct hires are recorded on the payroll, directly paid by one entity of the SBM Offshore Group.
- 'Contractors' as an individual performing work for or on behalf of SBM Offshore, but not recognized as an employee under national law or practice (not part of SBM Offshore companies payroll, they issue invoices for services rendered).
- 'Subcontractors' are not considered as staff in the HR headcount breakdown structure. This population is managed as temporary service and are not covered by HR processes policies.

SBM Offshore includes the BRASA Yard in Brazil and the PAENAL Yard in Angola in its reporting scope based on partial ownership and operational control including human resource activities and social responsibility for the employees.

In principle, reporting on headcount, turnover, training and collective bargaining covers all SBM Offshore, including construction yards. For the reporting on Appraisals and Equal Remuneration construction yard employees are not included, due to the limits on influence and impact that SBM Offshore has on JV partners in the PAENAL and BRASA yards.

SBM Offshore reports its HR data in all the regions (Africa, Asia, Europe, North America, South America) it is located.

Turnover has been calculated as the number of employees who have left the Company in 2020 (between January 1 and the December 30, 2020) compared with the aggregate of the headcount on December 31, 2019 and December 31, 2020; divided by 2, with the result multiplied by 100. In the past 5 years, turnover was calculated differently: the number of employees who have left the Company in the year (January 1 to December 30) compared with the Headcount on December 31 of the year + the number of newcomers in the year. As part of our continuous improvements strategy, we believe that this new method will provide more accurate data on turnover for the years to come even though the old method was not erroneous.

For fleet operations, engagement and development of the local workforce is the main indicator for successful local content development. In this perspective, SBM Offshore monitors the percentage of local workforce – % of nationalization per regions (included below for Brazil, Angola and Guyana as they represent most of our population offshore) – and invests in training to increase or maintain the targeted level. For example, specific programs in below countries focus on education and training of nationals to facilitate them entering the workforce with the required level of qualifications and knowledge.

- 88% of Brazilian direct hire workforce consists of Brazilian nationals
- 81% of Angolan direct hire workforce consists of Angolan nationals
- 49% of Guyanese direct hire workforce consists of Guyana nationals

PERFORMANCE MANAGEMENT

In order to ensure personal development and optimal management of performance within the Company, SBM Offshore conducts annual performance reviews for all employees. Globally, the Company uses a common system to rate and evaluate all employees.

COLLECTIVE BARGAINING

Collective bargaining is a process of negotiation between employers and a group of employees aimed at agreements to regulate working salaries, working conditions, benefits, and other aspects of workers' compensation and rights for workers. Within SBM Offshore, it is considered as collective bargaining: all the employees of which the interests are commonly represented by external or internal representatives of a trade union to which the employees belong. Given the COVID-19 pandemic, Labor Agreement in Brazil could not have been updated because they were not able to assemble. Nevertheless they have done a voluntary increase to cover the inflation. They will negotiate a New Agreement once it will be allowed for the employee to vote in person. Given the above circumstances we agreed to consider Brazil to be still under Labor Agreement.

HUMAN RIGHTS

SBM Offshore considers all contracts with qualified vendors as significant investment agreements, therefore the Company included human rights clauses in the Supply Chain Charter signed by our vendors.