



2023 ANNUAL REPORT



- The further improvement of the Learning from Performance process within Projects, and Fleet Operations.
- Implementation of applicable lessons learned in the tendering and the set-up for future FPSO projects.
- Further digitalization of project and function performance dashboards.

The outcomes in SBM Offshore's projects, supply chain and fleet are described in the following sections. In 2024, SBM Offshore will build on this and put focus on the delivery of the 'Quality Journey' program.

2.1.4.2 PROJECTS

MANAGEMENT APPROACH

SBM Offshore continues to focus on the development of its portfolio of floating solutions to deliver the best projects aligned with customer needs, building on SBM Offshore's technology expertise and track record. The success of projects is determined by performance against a budgeted schedule, cost and quality within the HSSE and Target Excellence approaches mentioned in sections 2.1.2 and 2.1.4. KPIs are set accordingly and managed through SBM Offshore's Project Directorate and Project Dashboards.

The management approach remains based on (i) an early engagement with customers; (ii) standardization in product design and execution in order to improve competitiveness, quality and time to market and to reduce emissions; and (iii) an increasing focus on the energy transition, using SBM Offshore's core competencies to develop affordable, low-carbon solutions in the FPSO as well as in the renewable and other alternative energy markets.

2023 PERFORMANCE

In early 2023, the COVID-19 pandemic situation improved, with the lifting of all restrictions in China.

The main challenges in 2023 for SBM Offshore were the high workload of the main vendors (equipment and bulk) and construction yards leading to increased schedule pressure from the yards. Project teams maintained their focus on project delivery and safe operations, while working together, across time zones, with customers, yards and suppliers, to limit delivery delays. SBM Offshore is grateful to all the project stakeholders for making this happen.

FPSOs

- *FPSO Sepetiba* – The FPSO safely produced first oil at the end of 2023 with a zero-flaring target in less than 60 days, which has still to be achieved. The FPSO was formally on hire as of January 2, 2024. Petrobras will

lease the FPSO for 22.5 years, under a contract signed in 2019.

- *FPSO Prosperity* – The vessel is the first that SBM Offshore is delivering under the long-term FPSO supply agreement signed with ExxonMobil in 2019. The FPSO safely started production in November 2023 with gas-injection start-up in an industry record time. Awarded the SUSTAIN-1 notation by the American Bureau of Shipping.
- *FPSO Almirante Tamandaré* – The topsides modules lifting campaign is progressing along with their integration. The FPSO delivery continues to be on track for 2024 and the client is expecting first oil from the field in early 2025.
- *FPSO Alexandre de Gusmão* – Detailed engineering and supply chain activities are almost complete. The hull has been outfitted with riser balconies and mooring porches and left drydock end-June 2023 for final outfitting and topsides integration. Topsides fabrication in Brazil is complete and under completion in China. First oil is expected in 2025.
- *FPSO ONE GUYANA* – Detailed engineering and supply chain activities are under completion in the Schiedam office. The hull has been outfitted with riser balconies and mooring porches and will leave drydock beginning-2024 for final outfitting and topsides integration. Topsides fabrication in Singapore and China is on-going and will be completed by mid-2024.
- *FPSO Jaguar* – SBM Offshore started the Front-End Engineering Design (FEED) phase for ExxonMobil Guyana on the Whiptail development project, ExxonMobil Guyana's sixth FPSO. This project is subject to Guyana government approvals and project sanction and release of the second phase of work by the client. SBM Offshore will design and construct the FPSO using its industry-leading Fast4Ward® program, allocating SBM Offshore's seventh new-build MPF hull combined with several standardized topsides modules. The FPSO will be designed to produce 250,000 barrels of oil per day, will have associated gas treatment capacity of 540 million cubic feet per day and water injection capacity of 300,000 barrels per day. First oil is expected in 2027.

Fast4Ward® MPF hulls

- In 2023, two Fast4Ward® MPF hulls were delivered: MPF B in CMHI for *FPSO Almirante Tamandaré* and MPF 4 at SWS for *FPSO Alexandre de Gusmão*.
- Two MPF hulls are under fabrication: MPF 5 at SWS for *FPSO Jaguar* and MPF C in CMHI for a future potential FPSO project.

Turret Mooring Systems

Following successful installation of the Turret Mooring System (TMS) modules on to the Johan Castberg FPSO, SBM Offshore has been supporting its client Equinor to

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progress the turret integration activities in Norway, and this year has seen the successful installation of the swivel stack, a specialized product developed by SBM Offshore to transfer fluids from the wells to the production facility onboard.

In addition to supporting SBM Offshore's own FPSO Projects, providing expertise on mooring system designs, the TMS product line also started a FEED for a turret moored FSO for the Trion project.

New Energies

Provence Grand Large

SBM Offshore has installed its first pilot project in floating offshore wind. The three floaters for the Provence Grand Large project, jointly owned by EDF Renewables and Maple Power, will account for approximately 10% of the globally installed floating wind electricity generation capacity in 2023. This is the first floating offshore wind project installed in France and the first project worldwide using tension leg mooring technology, which has minimal motion and seabed footprint. This technology enhances electricity generation and reduces maintenance costs. It is also the first floating wind project financed by commercial banks. Lessons learned have been integrated into SBM Offshore's Float4Wind® concept, which is optimized for mass production and competitiveness for large offshore floating wind farms.

Installation

As part of its offshore installation services, SBM Offshore successfully and safely concluded several offshore operations, including the Coral FLNG hook-up, the mooring installation campaign for FPSO *Prosperity* for ExxonMobil Guyana, the installation three floaters for the Provence Grand Large project and other projects.

FUTURE

SBM Offshore will continue to standardize its products in line with the Fast4Ward® program while seeking to produce environmentally friendlier solutions in line with its emissionZERO® program. In addition, SBM Offshore will continue to fine-tune its product offering to offer competitive and industrialized solutions to the floating offshore wind and other alternative energy markets. SBM Offshore is in the energy transition business and will continue to develop new products to serve its mission by leveraging SBM Offshore's unique capabilities in floating solutions.

2.1.4.3 SUPPLY CHAIN

MANAGEMENT APPROACH

SBM Offshore's supply chain activities are a key contributor to Quality and Operational Excellence in its projects and

operations. The Supply Chain department's ambition is to provide the best value to SBM Offshore's overall goals and objectives. SBM Offshore expects its suppliers to act responsibly, in line with the Code of Conduct and its Supply Chain Charter. The latter provides expectations and guidance to address environmental, social and governance related impacts – in line with SBM Offshore's material topics. The supplier qualification process adopts a risk-based approach in assessing suppliers for SBM Offshore's business needs as well as screening for environment and social risks such as climate targets and human rights.

In order to achieve these ambitions and standards, SBM Offshore has set the following targets for its supply chain activities.

- Strengthen the performance of the Supply Chain function on a global scale to include all areas of business.
- Incorporate a strategic mindset into tendering activities.
- Optimize resource management and include regional talent to retain a Product Lifecycle approach.
- Continually seek environmentally sound solutions.
- Digitize and modernize ways of working using current tools/systems.

To address the above, SBM Offshore defined six pillars in 2022 that enable Supply Chain to continue to address the above topics. The supply chain organization contributes to SBM Offshore's strategy as described in section 1.3.2 and is part of the Global Resources and Services organization explained in section 1.3.3.

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The supply chain organization has continued developing further around six strategic pillars described below to enhance the resilience of the function as a whole.

Supply Chain Excellence

Strengthened the performance of the function on a global scale to include Projects, Operations and non-Project-related business with the following activities:

- Implemented a new inspections process for main and sub-suppliers on projects for effective quality control to minimize non-conformity and carry-over work in the construction yards.
- Implemented new global supplier qualification process to reduce time taken to qualify while adopting a global risk-based approach towards the qualification of new suppliers.
- Diagnosis of a global supplier performance assessment methodology and process which will drive SBM Offshore towards a more automated and efficient solution.
- Implemented revamped post-order management processes to remove inefficiencies and address the three key aspects of cost, quality and schedule.