# 2023 ANNUAL REPORT

SBM OFFSHORE

- Modernized data management and reporting tools to increase reporting accuracy and monitor performance across all aspects of Supply Chain's support to the business.

**Performance Measurements:**

- 884 new suppliers were qualified in 2023 of which 100% have signed SBM Offshore's Supply Chain Charter.
- 90.4% of the new suppliers qualified were screened for Human Rights.
- Approximately 68% of reduction in supplier qualification duration since October 2022 using the new supplier qualification process and modernized digital tools.

### FUTURE

Supply Chain will continue its evolution towards a value-added globalized function to achieve and maintain high standards of performance across all areas of its business including, but not limited to, supporting human rights, climate change measures, digitalization, quality assurance and quality control, resource and talent management across all SBM Offshore's centers, enterprise management systems, supplier performance and qualification assessments, and energy transition measures.

## 2.1.4.4 FLEET

### MANAGEMENT APPROACH

The 'Ocean Infrastructure' value platform encompasses a fleet of 15 FPSOs and 1 semi-submersible unit, geographically distributed across the globe. To support the energy transition, the fleet aims to provide traditional hydrocarbon energy with the lowest possible carbon emissions during the production phase. The fleet adheres to, and applies, the management approach of the wider SBM Offshore organization. Key to this are policies, commitments and mechanisms described in sections 2.1.2 and 2.1.4. There is a sharp focus on continuous improvement. This is achieved by identifying learning opportunities and embedding the resultant lessons into SBM Offshore's corporate memory; the Group Enterprise Management System (GEMS) and Group Technical Standards (GTS).

An experienced workforce comprising of more than 3,600 personnel ensures the safe, reliable and efficient operation of SBM Offshore's offshore assets, generating predictable and sustainable revenue and operating cash-flows for the business.

The SBM Offshore fleet had the following historic performance:

- Over 7.2 billion barrels of production cumulatively to date.
- 10,840 oil offloads cumulatively to date.
- 388.4 cumulative contract years of operational experience[6].

SBM Offshore employs a proactive, risk-based approach to asset management, leveraging digital reliability and integrity solutions to automate surveillance, enabling a more optimized deployment of resources and increased efficiency and availability of safety, production and marine systems. To ensure that SBM Offshore's activities have a positive and sustainable impact on the local communities in which SBM Offshore is present, the fleet has several programs, aligned to the UN Sustainable Development Goals, focused on wellbeing and personnel development, emission reduction and protecting the environment.

### FLEET PERFORMANCE

**HSSE and Process Safety Performance**

There has been an exceptionally high volume of activity in 2023 due to a number of integrity campaigns performed across the fleet. These campaigns leveraged a large external workforce and this, combined with the type of activities performed, has, in part, led to higher incident rates in the fleet this year.

The majority of these incidents have been relatively minor in nature and the number of events with potential for significant injury or Process Safety consequence have reduced as a result of ongoing focus on leading activities targeting areas of most risk.

Initiatives and developments to enhance operational safety, process safety, quality and efficiency were progressed throughout the year:

- Ongoing deployment of the health and wellbeing program.
- Maintained focus on Process Safety Management, barrier management and enhanced Marine Safety.
- Development and piloting of an enhanced Operational Assurance Program.
- Implementation of a revised online Competence Assurance System.

**Development of Operations**

- In 2023, two new units were delivered:
  - FPSO *Prosperity* joined the fleet in Guyana, achieving first oil on November 14, 2023.
  - *FPSO Sepetiba* joined the fleet on January 2, 2024, achieving first oil on December 31, 2023.
- In Brazil, decommissioning of *FPSO Capixaba* continued, the unit is scheduled to depart Brazilian waters early in 2024.

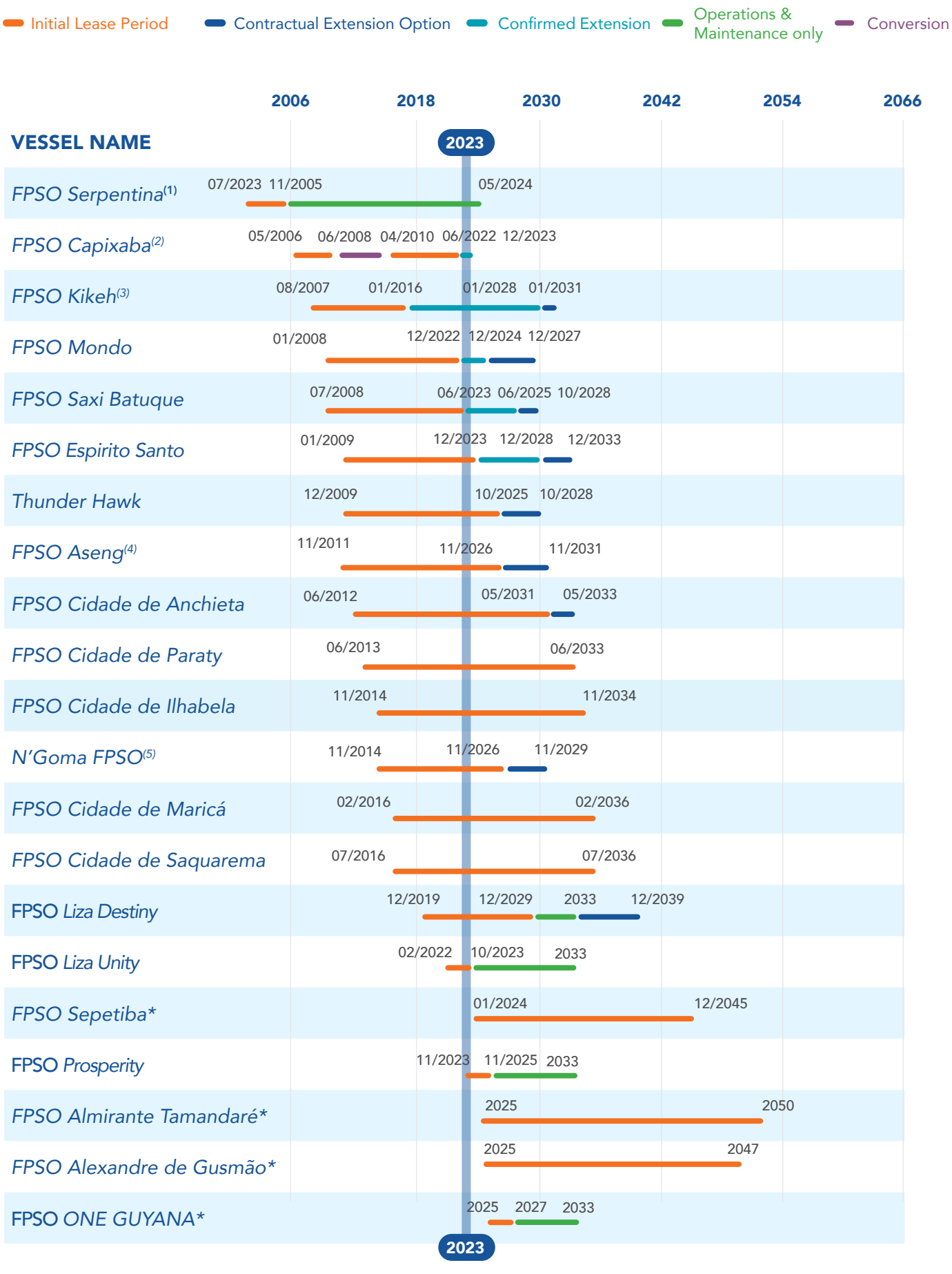
[6] The cumulative contract years of operational experience is calculated based on the number of days in operations from first oil for each unit until the last day that SBM Offshore has operated and continue to operate, divided by 365.

- In Angola, SBM Offshore signed two Share Purchase Agreements with its partner Sonangol EP for the acquisition of Sonangol's equity shares in the lease and operating entities related to *FPSOs N'goma, Saxi Batuque and Mondo*.
- In Guyana, SBM Offshore and ExxonMobil Guyana implemented a new integrated operating model:
  - On May 2, 2023, SBM Offshore announced it has signed a 10-year Operations and Maintenance Enabling Agreement with Esso Exploration & Production Guyana Ltd. for the operation and maintenance of the fleet of FPSOs in Guyana.
  - A transformation program was established to develop and implement an integrated operating model supported by fully defined and sustainable organization construct, processes and tools.
  - This strategy supports SBM Offshore's long-term business vision in Guyana, enabling SBM Offshore to perform local and sustainable investments in people and infrastructure as well as to deploy its digital and operational technologies to the Guyana fleet.
- In Porto, the Operations tactical center, implemented in 2022, became more established in 2023 with continued growth and increased remote support capabilities.
- The Digital Function has been consolidated to facilitate development of digital solutions and to unlock synergies in IT and Digital Ecosystem across the full product life-cycle.
- The deployment of SBM Offshore's new ERP system continued in Guyana. The system is now generating structured data that is used to identify further efficiency and performance improvement opportunities.
- SBM Offshore's 5-year Robotics Program, initiated in 2022, now has a dedicated team that has worked on three initiatives this year, of which one is in co-development with its client. The program aims to create a new technical discipline that will develop and deploy robotics technology in the fleet, following three key objectives: improve human safety, optimize working practices and enhance asset integrity.
- A new Brownfield Project Services (BPS) product line was formed to provide the following services in support of SBM Offshore's and its clients' fleets:
  - Brownfield project execution
  - Fleet support services
  - Production optimization feasibility studies
  - Shutdown management and planning
  - Decommissioning and responsible recycling services

BPS will leverage SBM Offshore's project execution expertise to serve the needs of its growing fleet. Benefits already realized include significant production increases on FPSOs *Liza Destiny* and *Liza Unity* through debottlenecking assessments and upgrades. BPS is also conducting tank repair works onboard *FPSO Cidade de Anchieta*.

# OPERATIONS FLEET

| VESSEL NAME | CLIENT | COUNTRY | 1ST OIL/GAS DATE |
|---|---|---|---|
| *FPSO Serpentina*[1] | MEGI | E.GUINEA | 2003 |
| *FPSO Capixaba* [2] | PETROBRAS | BRAZIL | 2006 |
| *FPSO Kikeh*[3] | PTTEP | MALAYSIA | 2007 |
| *FPSO Mondo* | EXXONMOBIL | ANGOLA | 2008 |
| *FPSO Saxi Batuque* | EXXONMOBIL | ANGOLA | 2008 |
| *FPSO Espirito Santo* | SHELL | BRAZIL | 2009 |
| *Thunder Hawk* | QUARTERNORTH/DAA | USA | 2009 |
| *FPSO Aseng*[4] | CHEVRON | E.GUINEA | 2011 |
| *FPSO Cidade de Anchieta* | PETROBRAS | BRAZIL | 2012 |
| *FPSO Cidade de Paraty* | PETROBRAS | BRAZIL | 2013 |
| *FPSO Cidade de Ilhabela* | PETROBRAS | BRAZIL | 2014 |
| *N'Goma FPSO*[5] | AZULE ENERGY | ANGOLA | 2014 |
| *FPSO Cidade de Maricá* | PETROBRAS | BRAZIL | 2016 |
| *FPSO Cidade de Saquarema* | PETROBRAS | BRAZIL | 2016 |
| FPSO *Liza Destiny* | EXXONMOBIL | GUYANA | 2019 |
| FPSO *Liza Unity* | EXXONMOBIL | GUYANA | 2022 |
| *FPSO Sepetiba** | PETROBRAS | BRAZIL | 2024 |
| FPSO *Prosperity* | EXXONMOBIL | GUYANA | 2023 |
| *FPSO Almirante Tamandaré** | PETROBRAS | BRAZIL | 2025 |
| *FPSO Alexandre de Gusmão** | PETROBRAS | BRAZIL | 2025 |
| FPSO *ONE GUYANA** | EXXONMOBIL | GUYANA | 2025 |




* Under construction.

(1) *FPSO Serpentina* is owned by the client and is operated by Gepsing – a subsidiary between SBM Offshore (60%) and GEPetrol (40%).

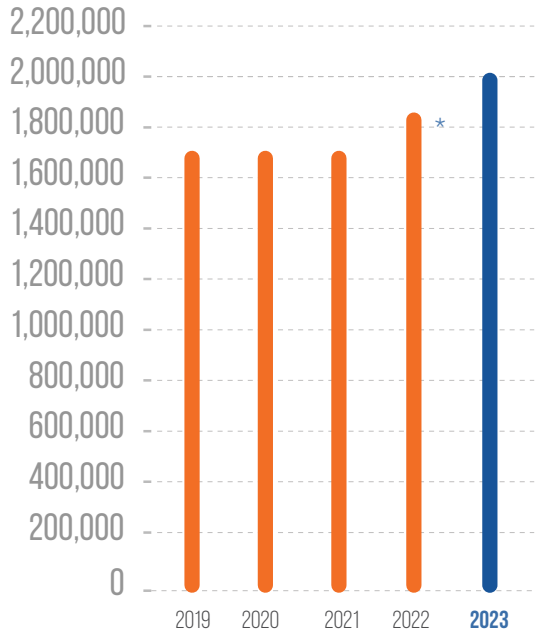
(2) Decommissioning of FPSO Capixaba continued in 2023 and the unit is scheduled to depart Brazilian waters early in 2024.

(3) Conditional contractual extension options until 2031.

(4) Noble Energy EG Limited is now a wholly-owned indirect subsidiary of Chevron Corporation.

(5) ENI Angola SpA merged with BP to form a new Incorporated Joint Venture in Angola ('Azule Energy').

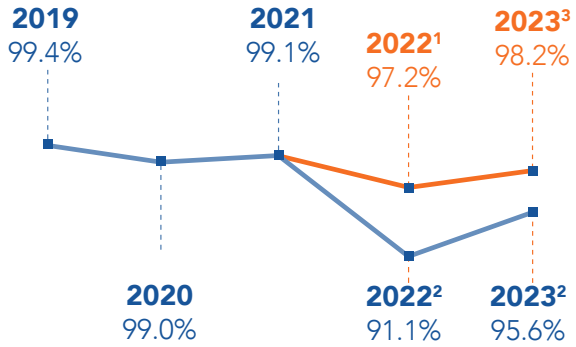
## FLEET OIL PRODUCTION CAPACITY (bopd)




The fleet capacity of oil production per day in 2023 was **2,019,000 barrels of oil**.

* including *FPSO Capixaba* 100,000 bopd

## FLEET UPTIME DATA
FOR PERIOD 2018 – 2022




1. Fleet uptime without *FPSO Cidade de Anchieta*
2. Actual combined fleet uptime
3. Fleet uptime without *FPSO Mondo*

### Asset Management

As offshore installations age, the original coating systems become less effective, leading to an increase in the integrity scope over time. Capacity to accommodate resources onboard is limited and maintaining the integrity of aging assets is a major challenge for the industry. Production on *FPSO Mondo* was shut in for 5 months to perform integrity inspections and repair scope that had accumulated through the COVID-19 period.

SBM Offshore is implementing the Pro-active Integrity Program for the fleet to avoid reoccurrence and to instill a strong integrity culture in which SBM Offshore prioritizes compliance with inspection schedules, implementation of new technologies and corrosion prevention.

The new Asset Management Philosophy introduced in 2022 was further developed in 2023 based on initial feedback. The main purpose is defined as providing maximum availability of the Production, Marine and Safety systems on SBM Offshore's assets, by ensuring reliability and integrity through the lines of defense model as follows:

1. Predict: leveraging digital and artificial intelligence solutions to perform surveillance and early identification of potential anomalies.
2. Prevent: enriched asset management tools to improve the quality and efficiency of maintenance and inspection activities.
3. Recover: robust anomaly management and response to ensure that recovery from events is addressed and in the shortest possible time.
4. Improve: continuous improvement through feedback of operational experience into the design process for new builds and the operating fleet.

The main strategic focus in 2023 was to optimize the maintenance and inspection workload offshore in order to free up resources to perform hull and piping integrity inspection and fabric maintenance campaigns on all assets. The optimization resulted in a 30% reduction in maintenance work orders and a positive trend of compliance with the class hull inspection program can be observed.

### Responsible Recycling

SBM Offshore commits to the safe and environmentally sound recycling of assets at the end of their lifecycle, performed in full compliance with SBM Offshore's Responsible Recycling Policy, applying – amongst others – the principles of the EU Ship Recycling Regulation 1257/2013 or equivalent.

During 2023, two projects were in progress; the decommissioning and preparing for recycling of *FPSO Capixaba* and the recycling of the Deep Panuke MOPU PFC. Details on these projects and the management approach to decommissioning are provided in section 2.1.12.

## FUTURE

New Fast4Ward® assets will join the fleets in Brazil and Guyana, leading to growth offshore and onshore:

- In Guyana, FPSO *Prosperity* has arrived and preparations are ongoing for the arrival of FPSO *ONE GUYANA* in 2025. SBM Offshore continues to expand and embed its