



2024 ANNUAL REPORT



TRUE.
BLUE.
TRANSITION.

2.7 OPERATIONAL GOVERNANCE

Operational Governance of the Company is managed through:

- GEMS, as introduced in section 2.7.1.
- GTS, as introduced in section 2.7.2.

A detailed certification and classification table is provided in section 3.8.4, mapping compliance of SBM Offshore entities and sites with international certification standards and codes.

2.7.1 GLOBAL ENTERPRISE MANAGEMENT SYSTEM

The Management System is one of the key enablers for the 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.

GEMS

EXECUTIVE PROCESSES

- MANAGE GROUP STRATEGY
- MANAGE ENTERPRISE RISK
- MANAGE STRATEGIC ALLIANCES
- MANAGE HSSE, QRM & OPERATIONAL EXCELLENCE
- MANAGE SUPPLIERS & STRATEGIC SOURCING
- MANAGE TECHNOLOGY & INNOVATION
- ENSURE SUSTAINABILITY
- MANAGE CLIENT & OPPORTUNITY
- MANAGE LEGAL & COMPLIANCE
- MANAGE GROUP PRODUCT STANDARD

CORE PROCESSES

- TENDER TO EXECUTE
- TENDER TO OPERATE
- PROCURE TO PAY
- FORECAST TO CONTROL
- RECORD TO REPORT
- INVOICE TO CASH
- CONCEPT TO NEW PRODUCT AND SERVICES
- HIRE TO RELEASE

SUPPORT PROCESSES & SERVICES

- MANAGE DATA & INFORMATION SYSTEM
- MANAGE COMMUNICATION
- MANAGE INFORMATION TECHNOLOGY
- MANAGE DOCUMENTATION

The Management System of SBM Offshore is called the Global Enterprise Management System (GEMS) and is based on several international standards and other good practices. GEMS is the core of a broader ecosystem, including software solutions (e.g. LUCY, SBM Offshore’s Human Capital Management System) and other elements

such as SharePoint microsites and Group Technical Standards (GTS) as introduced in section 2.7.2. The Group’s Vision, Values (section 1.3.2) and Policies are embedded in GEMS to support the correct governance of SBM Offshore’s organization and business activities. These form the foundation processes that are consistently applied

2 GOVERNANCE

throughout all offices and fleet operations (in-country offices and vessels).

GEMS is structured around three main process domains: executive processes, core processes and support processes. The core processes have been modelled to show where the company generates value from its activities. GEMS is represented as shown in the illustration. GEMS gives clear and formal ownership of end-to-end 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 can be accessed in its entirety via the Company's intranet, which ensures easy access to all employees.

2.7.2 GROUP TECHNICAL STANDARDS

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 fall into three categories – customer 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 customers on a Lease and Operate or Sale and Operate basis. They ensure a consistent design approach, optimized from a lifecycle-cost perspective and integrating the 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.

To date, the Company has executed over 26 major projects using its GTS as the basis of design since they were established in 2003. GTS are now digital and available through a Requirement Management Software since Q1 2022, providing new features for GTS users and the team in charge of GTS development. The main benefits are time-saving, enhanced search and filtering functionalities, data re-use capacity, improved overall quality and multi-support availability.

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.

In 2024 SBM Offshore started improving the quality of the GTS' requirements using Artificial Intelligence and will continue in 2025, benefits being clearer requirements that are easier to implement for project teams and vendors.