



OFFSHORE

ENERGY. COMMITTED.



ANNUAL REPORT 2019

2 STRATEGY AND PERFORMANCE

2.8 OUR PEOPLE: OUR COMPETITIVE EDGE

MANAGEMENT APPROACH

SBM Offshore's employees are the main drivers of the Company's success. Their diverse skills represent an incomparable advantage for the Company. To serve its stakeholders, SBM Offshore wants to attract and work with the best talents. Competition for highly qualified management and technical personnel is intense in the Company's industry. Future success depends, in part, on SBM Offshore's ability to hire, assimilate and retain engineers, sales people and other qualified personnel.

To effectively meet ramp-up demands, SBM Offshore has set up a 'best in class' centralized recruitment function. Together with a resource planning cycle and an internal talent development, SBM Offshore is better able to identify the skills it has and compare them to the skills it needs. In taking this approach, the Company is now better able to overcome the challenges associated with the time taken to recruit scarce high-demand skilled workers and plan effective recruitment strategies in advance of the need.

2019 PERFORMANCE

During the past year, SBM Offshore recruitment aims focused on its ability to successfully deliver on its project commitments to clients. The plans focused on two main areas; the increase in headcount for six key locations, which support its Global Project Organization, along with the goal of reducing voluntary leavers. The locations of focus were; Bangalore, China, Houston, Kuala Lumpur, the Netherlands and Monaco. To ensure an effective introduction of these new joiners into the Company, its Culture, core Values and DNA, an investment was made to ensure a global Onboarding program was in place. This consists of a 90-day program, mentorship for new joiners and easily accessible introduction videos. This allows people across the world to experience the same SBM Offshore.

In 2019, SBM Offshore invested in Expert Management by creating a new Human Resources (HR) position dedicated to it. SBM Offshore now has a clear business governance setup and a 2020 roadmap, defined and validated, concerning Experts Management. In addition, the Company performed an Expert internal survey to collect feedback and perceptions about Expert Management from selected representatives of the technical community. The Company also performed an Expert Talent Review to enhance the dynamic between Technology/Technical/Project/Operations, achieve a robust talent pipeline for the critical Expert roles (by order of priority) and agree on development opportunities for current incumbents in critical Expert roles and critical talents.

In 2019, SBM Offshore continued its focus on talent in the Company. The Company seeks to continuously improve its talent management approach and align it with its strategy. In 2019, SBM Offshore introduced a potential assessment questionnaire, built around three dimensions: knowledge, personal agility and leadership traits. Talent Pools to support 'out of the box' succession planning have been created. We keep attention on succession planning and indicate successors for chosen key succession roles.

In 2017, SBM Offshore launched its first Pulse Survey, a survey open to all employees, which aims to monitor employees' engagement and target specific areas of improvement, with the implementation of action plans in each of its entities. Throughout 2019, the action plans of the 2018 Pulse Survey were created, implemented and supported by HR, Management and Employees. The actions are tracked, updated on a quarterly basis, and available to all employees on the HR SharePoint of SBM Offshore. The Pulse Survey will be conducted every 18 months, with the next survey due to take place in April 2020.

Initiated in 2018, the LUCY project has continued in 2019 to implement the full suite of SAP Successfactors across the main SBM Offshore locations. In addition to Employee Central to manage complex HR Administrative process for joiners, leavers and transfers, the LUCY project has reached its ambition to cover all remaining HR processes, such as performance management, talent reviews, succession planning, compensation and benefits, and recruitment. Some new features and possibilities are now open for the HR community, while allowing employees and managers to access to all relevant information such as their own employee profile, company organization chart, vacation calendars and more ...

FUTURE

Concerning talent acquisition, there is generally a shortage of engineers and people with technical expertise in the industry. To address this, the Company will be developing better initiatives to work closer with local governments, universities, colleges and schools where its production and operations facilities are located. SBM Offshore will be working together to encourage social mobility and attract young people into engineering and will capitalize on its own diverse talent to train, coach and mentor tomorrow's talent today.

In 2019, SBM Offshore continued its commitment to promote diversity and inclusion by developing close relationships in the countries in which the Company operates, developing opportunities for local people, communities and businesses alike. The Company strives to continue on this path and increase diversity throughout the

organization, especially in managerial positions. SBM Offshore monitors the diversity balance within its workforce and its reward practices. In doing so, the Company seek to maximize its ability to attract, recruit and retain the best talent that varying cultures and communities have to offer. Diversity for SBM Offshore starts with its employees and the Company runs training courses and events to challenge perceptions and unconscious biases, which then filter into everyday working practices, helping to shape an inclusive culture.

For 2020 onwards, the Company will continue to focus on ensuring that the Talent approach is driving its growth capacity. SBM Offshore aims to do so via a focus on assessing potential with more predictability, using sophisticated assessment methods and via diversification of Career Paths and development opportunities in the Company.

In order to better equip managers and employees with the skills to embrace the challenges ahead, the Company will further develop its 70/20/10 strategy (the three distinct types of learning that will occur over an employee's career – 70% on-the job experience, 20% relationship building and coaching encounters, and 10% formal education and training) by encouraging its employees to seek on-the-job learning opportunities and developmental stretch assignments, in agreement with their manager and taking into account business constraints and project delivery schedules. For peer and social learning, SBM Offshore is aiming at expanding the internal mentoring program (successfully piloted in Amsterdam, Monaco and Schiedam) to more locations to create cross-entity and cross-project mentoring relationships to enhance people's ability to get different perspectives on their competencies and careers. To support managers and employees on specific development topics, SBM Offshore will deploy a more consistent approach to coaching through distance/virtual coaching programs. A new Leadership Framework will define the core traits, attributes and behaviors needed for our 2030 leaders, who will be developed through a new leadership development roadmap, based on blended learning and experiential development.

Along with the HR ambition to put more and more employees at the center of our Strategy, SBM Offshore invested in a fully-integrated Engagement platform, which will allow us to optimize our ways of managing employee engagement. With its integration to the LUCY platform, the solution will allow SBM Offshore to use employee data and trigger surveys on key employee lifecycle steps, such as Onboarding and Performance Assessment. The solution will also allow SBM Offshore to easily reach its offshore colleagues and propose and track action plans directly on

the platform. The solution is planned to be launched in March 2020.

The LUCY project will continue in 2020 to increasingly strengthen the automation of the HR administrative tasks (e.g. reporting, calculation, data interfaces, documents generation) and optimize the HR processes in order to better answer to business expectations. Some new KPIs will be put in place to start measuring HR performance and better anticipating business strategic decisions with regard to the SBM Offshore workforce.

In 2019, SBM Offshore addressed the people side of change by establishing a Change Management Office (CMO) and dedicating change resources on strategic transformation projects. The CMO focuses on fostering a culture where employees are equipped to continuously learn, adapt, and thrive in an ever-changing environment. The Company is committed to building internal capabilities and developing this organizational competency through in-house Prosci® training programs, beginning in 2020.

In conclusion, SBM Offshore continues to invest in and develop its people and to evolve its talent management programs, in line with changes in the Company and a transforming industry. SBM Offshore continues to pursue its high standards in vital areas of consistency, equity and transparency across the Company. The Company believes that satisfied and engaged employees will lead to increased productivity, as well as the desired entrepreneurial and ownership behaviors and, ultimately, to the achievement of the Company's goals and delivery of the desired results for its clients.

OUR PEOPLE KEY FIGURES

4,439 DIRECT HIRES



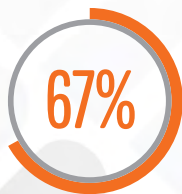
17 LOCATIONS



17% NEW HIRES IN 2019

79 NATIONALITIES

ONSHORE



3,721

EMPLOYEES



35

TRAINING HOURS PER EMPLOYEE

104,191

TOTAL TRAINING HOURS

OFFSHORE



1,809

EMPLOYEES



51

TRAINING HOURS PER EMPLOYEE

75,590

TOTAL TRAINING HOURS