



2024 ANNUAL REPORT



TRUE.
BLUE.
TRANSITION.

3.4.2 EMISSIONS

OUR APPROACH

Policies and Governance

Despite the challenges inherent in its business, SBM Offshore is committed to driving the energy transition through innovation, product development and reducing emissions. This commitment is embedded in SBM Offshore's promise of True. Blue. Transition. and Code of Conduct, guiding SBM Offshore toward a sustainable role in society.

SBM Offshore has adopted a policy to manage sustainability matters, including the environmental impacts related to climate change. The objective of the Sustainability Policy is to commit to protecting the environment, across its own operations and its value chain, and to comply with the applicable local and international environmental laws. The policy was approved by the Executive Board, follows the SBM Offshore code of conduct and applies to all divisions, business units, business partners, yards and suppliers, and is available on the SBM Offshore website.

SBM Offshore's Sustainability Policy aligns with the OECD Guidelines for Multinational Enterprises and is implemented through the Environmental and Social Management System Charter across its processes on energy transition through innovation, product and business development, to move towards near zero emissions.

The governance of emissions falls under the Group HSSEQ and Sustainability Director – a member of the Executive Committee – and the group sustainability team with the functional ownership of emissions. The group sustainability team is responsible for:

- Tracking the Net Zero path;
- Consolidating the emissions calculation;
- Supporting the engagement with internal and external stakeholders for emission reduction;
- Setting targets and assessing the effectiveness of the results.

Climate-related considerations are factored into the remuneration of management according to the method explained in remuneration sections 2.3.1 and 2.3.2, in which emission-related targets represent the short-term incentive for the management board and employees.

Transition plan and target

SBM Offshore designs and delivers FPSO units based on client specifications, leveraging decades of engineering expertise and operational experience. While FPSO emissions are primarily determined by design requirements, field characteristics and operational profiles,

SBM Offshore actively explores and integrates technological advancements that enhance energy efficiency and reduce environmental impact where feasible. Key levers include optimizing FPSO designs, incorporating combined cycle power solutions and integrating carbon capture solutions (see sections 1.2, 1.3 and 1.5.2). However, the extent to which these innovations are implemented and SBM Offshore's direct influence on FPSO emissions is limited, depending on value chain priorities and strategies, regulatory requirements, and project economics. Through close collaboration with clients, suppliers and business partners, SBM Offshore supports industry efforts toward lower-carbon operations while ensuring reliability and operational excellence. SBM Offshore's position within the oil and gas production value chain is further detailed in section 1.2.2.

SBM Offshore is committed to a strategy and actions compatible with its ambition to achieve Net Zero by no later than 2050, including emissions in scope 1, scope 2 and one category of scope 3 – Downstream leased assets. Annually SBM Offshore creates the Corporate Guidance, which outlines the strategic direction and goals. This guidance provides a framework for decision-making and ensures alignment across the business. Key internal stakeholders actively participate in this process and in setting targets through collaborative seminars and meetings.

SBM Offshore has established the following intermediate targets by 2030:

- 100% green energy for scope 1 and 2 emissions¹²;
- 50% reduction of GHG intensity¹³ and zero routine flaring¹⁴ for scope 3 – Downstream leased assets.

This GHG emissions reduction plan has been approved by the Management Board and Supervisory Board and is embedded in SBM Offshore's overall business strategy and financial planning.

In order to achieve its goals and to support emissions reduction in the value chain, SBM Offshore is focused on engaging and collaborating with key stakeholders, such as lenders and suppliers, to discuss and align business strategies and performance improvements.

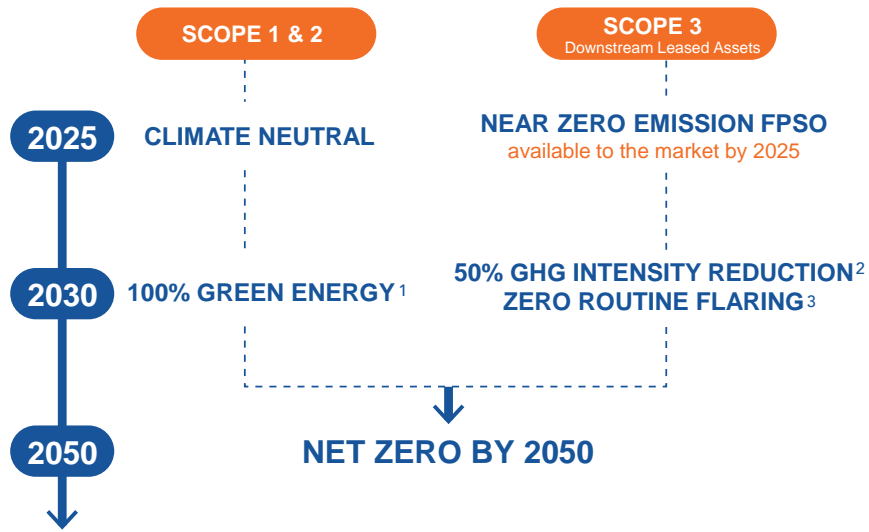
¹² Aiming for 100% sourcing of renewable energy by 2030 and considering investments in certified projects to compensate any residual GHG emissions from scope 1 and 2, reaching 'net zero' on total GHG emissions – related to the scope of office and shorebase-related emissions. SBM Offshore monitors development versus 2016. For 2016 GHG volumes please see here.

¹³ Reduce GHG intensity of scope 3 downstream leased assets by 50% by 2030, compared to 2016 as a base year. The base year is a representative year for SBM Offshore's business and follows base year selection guidance by the Science Based Target initiative. For 2016 GHG volumes please see here.

¹⁴ Routine flaring of gas considered as flaring during normal oil production operations in the absence of sufficient facilities or amenable geology to re-inject the produced gas, utilize it on-site, or dispatch it to a market. Applies to GHG emissions from scope 3 downstream leased assets.

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OUR NET ZERO AMBITIONS



1. Aiming for 100% sourcing of renewable energy by 2030 and considering investments in certified projects to compensate any residual GHG emissions from scope 1 and 2, reaching 'net zero' on total GHG emissions – related to the scope of office and shorebase-related emissions.
2. Reduce GHG intensity of scope 3 downstream leased assets by 50% by 2030, compared to 2016 as a base year.
3. Routine flaring of gas considered as flaring during normal oil production operations in the absence of sufficient facilities or amenable geology to re-inject the produced gas, utilize it on-site, or dispatch it to a market. Applies to GHG emissions from scope 3 downstream leased assets.

Scope 1 and 2

SBM Offshore is progressing steadily toward achieving its scope 1 and 2 emissions reduction targets, in alignment with the 1.5-degree scenario. This will be achieved primarily by sourcing renewable energy for office-related operations, tracked through renewable electricity supply agreements or using Energy Attribute Certificates (EACs). In markets where renewable energy supply is not available (Luanda, Georgetown, and Malabo), scope 1 and 2 emissions were compensated by verified carbon credits.

Looking ahead, SBM Offshore commits to sourcing 100% of its energy from renewable sources through targeted energy procurement and contracts, with full implementation expected by 2030.

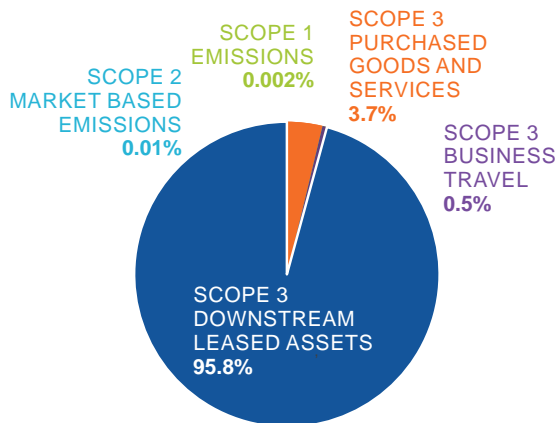
Scope 3

For scope 3, SBM Offshore has used Science-Based Targets initiatives (SBTi) guidelines for a well-below 2-degree scenario. However, since no framework currently exists for oil and gas activities, SBM Offshore cannot be included in EU Paris Aligned Benchmarks. Nevertheless, SBM Offshore is committed to aligning a credible path to net zero by:

1. Using high standards for guidance, such as the SBTi, including the ambitious goal to reduce the GHG intensity of scope 3 – Downstream leased assets – by 50% by 2030.

2. Providing a near zero emission FPSO to the market through its emissionZERO® program, including carbon capture and flare reduction.
3. Taking a selective approach to growth in the energy industry – by focusing on clients with aligned approaches to Net Zero.
4. Understanding suppliers' commitments to Net Zero as part of SBM Offshore's supplier engagement and encouraging selected key suppliers to disclose on CDP to enhance transparency.
5. The optimization of energy use and emissions of downstream leased assets (FPSO) up to end-of-contract.
6. Responsible decommissioning of downstream leased assets at end-of-contract.
7. In addition to decarbonizing the oil and gas business, SBM Offshore explores new ocean infrastructure solutions and develops strategic partners to expand into attractive growing sectors such as power, ammonia and hydrogen, and carbon capture and storage.

The above approaches support SBM Offshore setting targets and actions in light of the global guidance from the Paris Agreement. These ambitions reflect the current understanding of the business and are subject to further development in the future.



CAPEX and OPEX in relation to climate transition plan

In 2024, SBM Offshore committed around US\$9.3 million in OPEX for the decarbonization of the O&G industry. Most of these expenditures are associated with the emissionZERO® program, which aims to reduce the emission intensity of new FPSOs and develop a commercially viable near zero FPSO, which is crucial for achieving SBM Offshore’s emission reduction goals. More significant CAPEX will be necessary once the emissionZERO® FPSO readiness is achieved, targeted for 2025. Although these expenditures are essential for accelerating the energy transition and facilitating the transition of a high-emitting sector, none of them are Taxonomy-eligible since O&G activities are currently not in the scope of the Taxonomy Regulation, even if they contribute to significant emission reductions in the O&G value chain.

In 2024, SBM Offshore allocated roughly US\$70 thousand in CAPEX and US\$11.8 million in OPEX for the development of new energy products and services, as well as low-emission products. This budget is split into US\$10.5 million for the power value chain, US\$1.2 million for the ammonia and hydrogen value chains, and US\$0.1 million for the carbon initiatives. The OPEX for this period is included in section 4.2.1 of the Financial Statements. A relevant portion of this expenses to manage Emissions at SBM Offshore are R&D-related, included in section 4.3.7.

Key initiatives in the power sector include the development of floating offshore wind, floating solar, wave energy converters, and geothermal technologies. In the ammonia and hydrogen sectors, the focus is on floating hydrogen farms and the production of green and blue ammonia. The

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carbon initiatives primarily involve carbon capture, utilization, and storage (CCUS) projects.

The total taxonomy-eligible OPEX (US\$10.3 million) reported in section 3.8.1.2 pertains to R&D expenses for some of these projects. SBM Offshore does not have specific targets for aligning its economic activities (CAPEX and OPEX KPI) with the criteria outlined in the Taxonomy's Climate and Environmental Delegated Acts and subsequent amendments. Nonetheless, SBM Offshore continues to maintain investment plans for developing renewable energy solutions and low-emission products while also supporting the decarbonization of the O&G value chain.

In 2024, the CAPEX amounts with oil-related economic activities totaled US\$44 million. This expenditure pertains to investments in FPSOs used for producing, processing, and storing oil, which are leased to customers under operating leases according to IFRS. These investments are

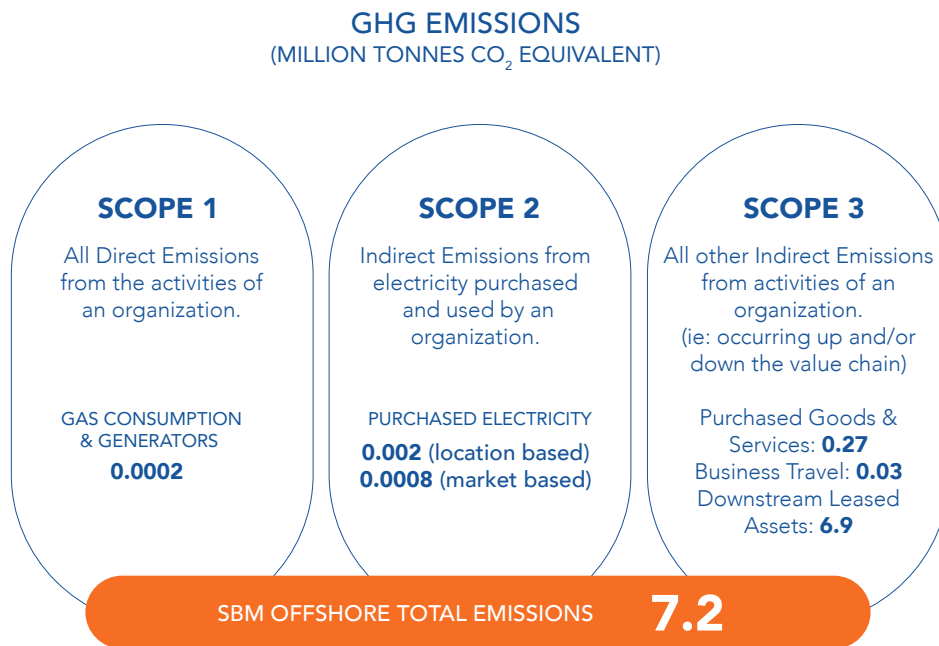
recorded as additions to 'Vessels and floating equipment' and 'Assets under construction' (subsequently transferred to 'Vessels and floating equipment') in section 4.3.13. The expenditures related to FPSOs leased under finance leases according to IFRS are not included in CAPEX. SBM Offshore does not invest in coal or non-associated gas activities.

PERFORMANCE

SBM Offshore's emissions management builds on years of effort. In 2024, SBM Offshore continues to put effort into reducing scopes 1 and 2 and collaborating with clients to reduce scope 3 emissions.

SBM Offshore reports on CDP and uses IOGP statistics to steer its ambitions, effectiveness of actions and performance. SBM Offshore strives to outperform industry benchmarks on the following indicators:

- GHG emissions, gas flare, energy consumption, oil in produced water, oil spill per production.



GHG Emissions

During 2024, a total of 7.2 million tonnes of GHG emissions are reported.

Scope 1 – Direct Emissions

The Scope 1 emissions in 2024 represented a total of 169 tonnes of CO₂e, a reduction of 65% compared to 2023. This reduction was related with a decrease in natural gas consumption in Carros Workshop and Schiedam Office. In 2024, there was a transition process from Schiedam office to Rotterdam where the natural gas consumption is replaced by district heating from the city network.

Scope 2 – Purchased Electricity (location based)

The electricity purchased was 6,126 (MWh), which accounts for 2,061 tonnes of CO₂e, based on the average energy mix of each location. This represents 14% higher than previous year, due to increasing activities in Portugal, India and Guyana.

Scope 2 – Purchased Electricity (market based)

In 2024, SBM Offshore achieved 100% renewable energy in 4 offices (Amsterdam, Rio de Janeiro, Monaco and Marly) and purchased EACs for offices (Houston, Kuala Lumpur, Porto, Singapore, Shanghai, Bangalore), shorebases

(Santos) and Lab (Carros). In markets where renewable energy supply is not available (Luanda, Georgetown, and Malabo), the remaining require compensation.

Scope 2 market-based emissions accounted for 839 tonnes of CO₂e, 33% lower than in 2023.

Scope 3 – Purchased Goods and Services

SBM Offshore projects are constructed over several years. As required by the GHG protocol, SBM Offshore uses an allocation method to account for emissions. To derive the total GHG emission related to projects under construction, SBM Offshore uses the completion rates for Hull (MPF) and topsides each year. The percentage completed in a given year determines the total allocated emissions.

In 2024, SBM Offshore had 3 MPFs and 4 topsides under construction¹⁵, with associated emissions amounting to 268,292 tons of CO₂e. Compared to 2023, the level of associated emissions increased by 50%, mainly due to a higher completion rate for MPF and topsides in 2024.

Scope 3 – Business Travel

Total air travel-related emissions were 34,401 tonnes in 2024, an increase of 12% compared to 2023, as a result of an increment of business activities, including projects and commissioning activities, involving traveling with long-distance flights (which in general require stopovers).

Scope 3 – Downstream Leased Assets

Emissions from downstream leased assets account for the majority of the carbon footprint reported by SBM Offshore, which represents a total emission of 6.9 million tonnes of CO₂e. The difference compared to 2023 emissions is driven by startup of new units during the period and is expected to normalize once entering stable production phase.

SBM Offshore’s ambition is to see emission intensity reduced by 50% in 2030 compared to 2016 as baseline. In

¹⁵ Excluding Trion.

2024, SBM Offshore’s emission intensity was 118.14 tonnes of CO₂e emissions per thousand tonnes of hydrocarbon produced, which is 8% below the industry benchmark and 42% lower compared to the baseline. .

Energy intensity on downstream leased assets was 21% lower than the IOGP industry benchmark. Energy consumption volumes can be found in section 3.8.

SBM Offshore is aware that currently operated and planned FPSOs represent locked-in emissions, especially for scope 3 – Downstream leased assets. All existing and planned FPSOs will reach the end of their lifetime before SBM Offshore’s net zero emission target in 2050. To avoid future locked-in emissions from FPSOs, SBM Offshore is aiming to introduce emissionZERO® FPSOs, dependent on market and client receptiveness.

For 2024, SBM Offshore set a target to further optimize operational excellence on the FPSOs for which it provides operations and maintenance services (O&M). SBM Offshore targeted an absolute volume of gas flared below 1.57 million standard cubic feet per day (mmscft/d) as an overall FPSO fleet average during the year. This was set for a specific part of the volume related with non-routine flaring associated with process shutdowns and upsets over which SBM Offshore may have influence. SBM Offshore outperformed on this target, the actual being 1.33 mmscft/d. The flaring performance in 2024 was mainly driven by a continued focus on reducing the number of unplanned events in its operated fleet.

Energy consumption and mix

Demonstrating a clear understanding of energy consumption and resource efficiency also supports commensurate opportunities in mitigating CO₂ emissions. The total energy consumption in MWh related to own operations is as follows:

Overall Energy Consumption (scope 1 and 2)	Actual (2024)	Target (2030)
Total energy consumption (MWh)	7,094	100% source from renewable sources
Total energy consumption from fossil sources (MWh)	2,479	
Total energy consumption from renewable sources (MWh)	4,615	

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Gross scopes 1, 2, 3 and total GHG emissions

The table below shows the status on GHG emissions versus baseline and targets, as per end of 2024. Other scope 3 categories were not included in the scope 3 target setting,

as SBM Offshore concluded that these categories are individually not material following a screening analysis. The calculation methodologies are under development to prepare for disclosure in the following years.

GHG Emission	Baseline (2016)	Actual (2023)	Actual (2024)	Target (2030)
Scope 2 (tonne CO ₂ e) market-based	3,582	1,257	839	100% Green energy ¹
Scope 2 (tonne CO ₂ e) location-based	3,582	1,811	2,061	
Scope 1 (tonne CO ₂ e)	222	489	169	100% Green energy ¹
Scope 3 Downstream leased assets – GHG intensity (kg CO ₂ e/tonnes HC) IOGP	202.11	98.85	118.14	50% reduction
Scope 3 Downstream leased assets – GHG intensity (kg CO ₂ e/BOE)	28.26	13.31	16.4	50% reduction

¹ Applicable to emissions related to offices and subject to availability of green energy for the scope.

GHG removals projects financed through carbon credits

SBM Offshore aims to become GHG neutral by 2025 and to utilize 100% renewable energy by 2030 from own operations for scope 1 and 2, with 58% of reduction achieved to date compared to its 2016 baseline. SBM Offshore is progressing towards these goals primarily by sourcing renewable energy for office-related operations, tracked through renewable electricity supply agreements or using Energy Attribute Certificates (EACs).

In 2024, SBM Offshore canceled 1,009 tonnes of CO₂e through the Ganges Mangrove Project in India, which accounted for 100% of the total remaining office-related emissions for scope 1 and 2. This project, certified by the Verified Carbon Standard (VCS¹⁶) and aligned with the International Carbon Reduction and Offset Alliance (ICROA) guidelines, focuses on conserving and restoring coastal ecosystems through the verified methodology. The project's carbon sequestration claims and reported co-benefits for biodiversity and communities have received independent verification and are subject to regular third-party audits under VCS requirements. SBM Offshore continues to prioritize emissions reduction while investing in independently verified carbon credits that deliver measurable environmental and social benefits.

SBM Offshore does not currently apply an internal carbon pricing mechanism. At this stage, SBM Offshore evaluates carbon-related risks and opportunities without integrating an internal price on carbon into financial or operational decision-making. SBM Offshore continues to monitor regulatory developments and industry best practices to assess the potential relevance of internal carbon pricing as a tool for future climate-related risk management and strategy development.

FUTURE

SBM Offshore will continue the decarbonization journey with targeted initiatives:

- Scope 1 and 2 emissions: Prioritize energy savings and increase the use of renewable energy at SBM Offshore's onshore facilities. For locations where renewable energy is not yet available, SBM Offshore is exploring alternative solutions, such as solar panel installations to reduce emissions.
- Scope 3 emissions: Remain committed to advancing the emissionZERO® program, aiming to introduce a near-zero emissions FPSO to the market by 2025. To further reduce GHG emissions in operating and maintenance service agreements, SBM Offshore is collaborating with clients to deploy an emissions and energy tool across all units in Brazil and Guyana. This tool will enable the identification of emission-reduction opportunities. Moreover, more categories will be included in the GHG emission calculation such as category 7 – employee commuting and emissions from inbound logistics for Tier 1 suppliers.
- SBM Offshore is also committed to achieving a higher environmental performance than the 2023 IOGP industry benchmark for energy consumption.

3.4.3 DECOMMISSIONING

OUR APPROACH

SBM Offshore is committed to the safe and environmentally sound recycling of assets at the end of their lifecycle, performed in compliance with SBM Offshore's Responsible Recycling Policy, which adheres to the International Convention for the Safe and Environmentally Sound Recycling of Ships (the 'Hong Kong Convention') of the International Maritime Organization (IMO) and EU Ship Recycling Regulation 1257/2013 or equivalent standard, as well as standardized yard activities and ship recycling plans.

SBM Offshore works with specialized suppliers and ship recycling facilities that have suitable infrastructure, compliance with the United Nations Guiding Principles on Business and Human Rights (UNGP) and other internationally applicable regulations; an adequate management system, including health and safety

¹⁶ VCS Methodology AR-AM0014.