2024 ANNUAL REPORT

SBM OFFSHORE

TRUE.
BLUE.
TRANSITION.

3.9.2 ENVIRONMENTAL REPORTING BOUNDARIES

The environmental information is reported under the same organization boundaries as the financial statement:

- Including fully consolidated entities
- Excluding unconsolidated joint ventures

SBM Offshore discloses GHG emissions using the operational control approach, as per the Greenhouse Gas Protocol. All generated GHG emissions related to SBM Offshore's business activities are reported and split between direct (scopes 1 and 2), and indirect (scope 3) emissions.

Other environmental KPIs, such as non-GHG emissions (other significant air emissions), number of oil spills above 1 bbl, and oil-in-water discharge to 54% below IOGP average emission to water, follow the same boundary and covering the FPSO's where SBM Offshore has an O&M agreement, which excludes Thunder Hawk Floating Production Unit.

EMISSIONS

Base year

SBM Offshore has set 2016 as the base year, being the first year with complete and verifiable data, for tracking the progress towards achieving 2030 targets and 2050 Net zero target.

Starting in FY25, following ESRS guidance, the base year shall be updated every five years.

For all reported emissions, the CO_2 equivalency is the quantity that describes, for a given mixture and amount of greenhouse gas, the amount of CO_2 that would have the same Global Warming Potential (GWP), when measured over a specified timescale (generally, 100 years).

GHG Emissions

Direct (scope 1) GHG emissions

For site emissions related to gas consumed and use of diesel for back-up power generators, SBM Offshore takes an operational control view and uses conversion factors from the Dutch Emission Authority, the website Co_2emissiefactoren.nl and the Greenhouse Gas Conversion Factors by the UK Government. The conversion factors are reviewed every year with the most recent data available.

Energy indirect (scope 2) GHG emissions

Scope 2 contains GHG emissions from energy purchased for offices (market-based and location-based). It is calculated using measured activity data (kWh energy consumed) and conversion factors from, among others, the Association of Issuing Bodies and Carbon Footprint Ltd.

For market-based scope 2 emissions, purchased green electricity is assumed to have an emissions factor of zero. The conversion factors are reviewed every year with the most recent data available.

The reporting scope includes all locations where the headcount is over 10. SBM Offshore reports onshore emissions data for the following locations: the Netherlands (Amsterdam, Schiedam), the United States (Houston), Malaysia (Kuala Lumpur), Switzerland (Marly), Monaco (Monaco), Brazil (Rio de Janeiro, Shorebases), China (Shanghai), France (Carros lab), Guyana (Georgetown), India (Bangalore), Portugal (Porto), Singapore, Angola (Luanda Shorebase) and Equatorial Guinea (Malabo Shorebase).

Other indirect (scope 3) GHG emissions

Scope 3 categories reflect an analysis performed using the GHG Protocol Technical Guidance for Calculating scope 3 Emissions. Since 2021, SBM Offshore applied a criteria aligned with its goals related to emissions and the criteria guided by the GHG Protocol (size of footprint, influence, risk, stakeholder interest, outsourcing, sector guidance and spending/revenue). The following categories are a result of this analysis and it is re-considered on an annual basis.

Category 1 – Purchased Goods and Services

This category consists of GHG emissions associated with the procurement of (capital) goods and services for FPSO projects (hereafter 'projects') that SBM Offshore is executing on behalf of clients. The FPSO projects represent the most significant part of SBM Offshore's purchased goods and services, compared to office-purchased goods and services. The following parts of an FPSO are considered in the calculations of the GHG emissions for this category:

- Hull (MPF) – the marine structure of an FPSO.
- Topsides – the processing facility of an FPSO. Other parts of the FPSO (mooring structure, integration etc.) are not accounted for in this initial GHG calculation due to the data limitations and the limited percentage they added in total weight.

SBM Offshore calculates the GHG emissions of its projects via the GHG protocol's average data method and has chosen a pragmatic approach to assess which components and materials used in projects contribute most to GHG emissions. The outcome of the analysis is initially focused on identifying GHG hotspots. Once they are identified, SBM Offshore can increase the accuracy of the GHG inventory via supplier engagement and, with that, abate emissions.

Category 6 – Business Travel

Business travel contains GHG emissions associated with the transportation of SBM Offshore employees for business-

related activities. This includes emissions from flights invoiced via SBM Offshore's standard travel system for all entities in operational control. The scope and data accuracy increased since 2023, due to both the addition of data from an additional travel agency and better data on multi-legged flights.

Business travel is determined based on flight data communicated by travel agencies, including mileage per invoice date and a calculated extrapolation of data for the last two weeks of the year. In a few cases where mileage data is missing, it is completed with mileage from a similar route. The GHG emissions relating to business flights are thus based primarily on supplier provided travel distance converted to CO_2-equivalents using factors from CO_2emissiefactoren.nl.

Category 13 – Downstream Leased Assets
SBM Offshore reports on emission from assets producing and/or storing hydrocarbons under lease contracts. GHG emissions come from the energy consumed (steam boilers, gas turbines and diesel engines) and from gas flared.

The environmental performance of SBM Offshore is reported by country i.e. Brazil, Angola, the United States, Guyana, Malaysia and Equatorial Guinea for the following 15 units:

- Brazil – *FPSO Espirito Santo*, *FPSO Cidade de Paraty*, *FPSO Cidade de Anchieta*, *FPSO Cidade de Ilhabela*, *FPSO Cidade de Marica*, *FPSO Cidade de Saquarema*, *FPSO Sepetiba*
- Angola – *FPSO Mondo*, *FPSO Saxi Batuque* and *N'Goma FPSO*
- Guyana – FPSO *Liza Destiny*, FPSO *Prosperity*
- Malaysia – *FPSO Kikeh*
- Equatorial Guinea – *FPSO Aseng*
- The United States – *Thunder Hawk* Floating Production Unit (FPU)[24]

The calculation of air emissions from offshore operations units uses the method described in the EEMS-Atmospheric Emissions Calculations (Issue 1.810a) recommended by Oil and Gas UK. SBM Offshore reports some of the indicators as a weighted average, calculated *pro rata* over the volume of hydrocarbon production per region. This is in line with the IOGP Environmental Performance Indicators.

All SBM Offshore business under an operating and maintenance service agreement (all downstream leased assets excluding Thunder Hawk) are required to issue a Daily Report (DR), which includes data from energy consumed and gas flared. Emissions calculations are performed using data storage and analysis software, where raw data from daily reports are saved. Emissions e-Dashboard is a comprehensive digital tool designed to monitor, analyze and report on emissions data within the organization. It serves as a central platform for tracking various emission sources, such as flared gas and flue gas consumption, ensuring compliance with local regulations and supporting environmental sustainability goals. By integrating data from multiple systems and employing advanced analytics, the Emissions e-Dashboard provides real-time (daily updates) insights into emissions trends, significant contributions and performance metrics. This enables operations managers and environmental engineers to make informed decisions, optimize processes, and implement effective emissions reduction initiatives. The dashboard's user-friendly interface facilitates easy access to detailed reports, historical data, and predictive analytics, promoting transparency and accountability across the organization. It also supports regulatory and contractual reporting requirements, ensuring accuracy and completeness in emissions data management.

GHG emissions intensity of downstream leased assets
The GHG Emission intensity figures in section 3.4.2 use hydrocarbon production as a denominator, being the standard metric in the industry (million tonnes of hydrocarbon produced). Hydrocarbon production is measured for each offshore asset.

Average Operational Excellence flaring of downstream leased assets
To better understand the causes of flaring that SBM Offshore may influence and be able to improve both environmental and operational performances, flaring events are reviewed and analyzed. Daily, the total flaring figure is broken down into flaring events that are categorized, based on the International Petroleum Industry Environmental Conservation Association (IPIECA) Guidelines. This process is part of Daily reporting and is called Flare CSR Reporting (Causes – Sources – Reasons). Depending on the causes identified, the responsibility is allocated to each event.

To further optimize operational excellence on the FPSOs for which it provides operations and maintenance services, SBM Offshore sets yearly targets. For 2024, SBM Offshore targeted an absolute volume of gas flared below 1.57 million standard cubic feet per day (MMSCFD) as an overall FPSO fleet average during the year.

Total energy consumption scope 1, 2 and 3
Demonstrating a clear understanding of energy consumption and resource efficiency also supports commensurate opportunities to mitigate CO_2 emissions. This indicator discloses the total quantity of energy consumed by SBM Offshore operations: scope 1 and 2

[24] Owned by SBM Offshore (lessor) and leased to the client, but without an operating and maintenance service agreement

related (Total Energy consumption from scope 1 and 2) and from downstream leased assets (Total energy consumption from downstream leased assets).

Total energy consumption from scope 1 and 2
Energy use associated with scope 1 and scope 2 GHG emissions. Consumption data was partially verified through meter readings, energy provider reports and landlord confirmations. For offices shared with other tenants, where only the total building energy consumption was available, SBM Offshore allocated energy usage to its office spaces based on the proportion of square meters occupied.

Total energy consumption from downstream leased assets
The energy used to produce oil and gas covers a range of activities, including:

- Driving pumps producing the hydrocarbons or reinjecting produced water.
- Heating produced oil for separation.
- Producing steam.
- Powering compressors to reinject produced gas.
- Driving turbines to generate electricity needed for operational activities.

The main source of energy consumption on offshore units is fuel gas and marine gas oil: the calculation of their volumes in Gigajoules being a function of calorific values and conversion factors from Oil and Gas UK.

Non-GHG emissions

Emissions to air are an important determinant of local and regional air quality and can affect human health, flora and fauna or cultural heritage sites. The indicators used enable SBM Offshore to monitor the quantities in tonnes of non GHG emissions to the atmosphere from operations, including CO (Carbon Monoxide), NOx (Nitrogen Oxides), SO_2 (Sulfur Dioxide) and VOCs (Volatile Organic Compounds).

Oil in produced water discharges

Produced water is a volume liquid discharge generated during the production of oil and gas. After extraction, produced water is separated and treated (de-oiled) before discharge to surface water. The quality of produced water is most widely expressed in terms of its oil content. Limits are imposed on the concentration of oil in the effluent discharge stream or discharge is limited where reinjection back into the reservoir is permitted.

Incidental environmental releases to air, water or land from the offshore operations units are highly controlled and reported using the data recorded in the SBM Offshore Incident Management tool.

Changes in reporting and continuous improvement

The following reporting changes apply:

- Emissions have been disaggregated by country, which were formerly a mix of regions and countries.
- Business wise, FPSO *Liza Unity* was sold to ExxonMobil Guyana, Ltd. on November 9, 2023. From that date on, its emissions are no longer part of scope 3 – Downstream leased assets. The 98,459.10 tonnes of CO_2e of associated emissions over 2024 needs to be reclassified and were not included in 2024 Downstream leased assets performance.
- *FPSO Sepetiba* joined the fleet on January 2, 2024, achieving first oil on December 31, 2023.
- SBM Offshore arranged for the full divestment of its effective equity interest in the lease and operating entities of the *FPSO Kikeh* to MISC. To ensure consistency with the previous reporting year and as the transaction will be effective January 2025, the emissions from *FPSO Kikeh* will be 100% accounted in downstream leased assets for the reporting year.
- FPSO *Prosperity* was sold to ExxonMobil Guyana, Ltd. on November 7, 2024 and the FPSO *Liza Destiny*, in December 19, 2024. From that date on, the emissions are no longer part of scope 3 – Downstream leased assets. Although, 100% of the GHG emissions associated with FPSO *Prosperity* and FPSO *Liza Destiny* in 2024 were accounted for in Downstream leased assets. Associated emissions over 2025 needs to be reclassified.

In 2024, emissions associated with the SBM Offshore 'Normand Installer' Installation Vessel have been assessed. They have, however, not been included at this stage to the overall reported emissions under scope 3 as the Installation Vessel is chartered to client projects in a joint venture (SBM Offshore 49.9% share), and the report excludes unconsolidated joint ventures. These emissions represent 21,653 tonnes CO_2e in 2024, which is not material in this category (0.3 % of scope 3).

As part of its commitment to continuous improvement, SBM Offshore regularly reviews and updates its emissions scope and calculation methodologies. While most emissions categories are covered, SBM Offshore is currently developing methodologies for categories 4 (upstream transportation and distribution), 7 (employee commuting), 11 (use of sold products), and 15 (investments). Other categories from the GHG Protocol, including category 2 (capital goods), category 3 (fuel- and energy-related activities), category 5 (waste generated in operations), category 8 (upstream leased assets), category 9 (downstream transportation and distribution), category 10 (processing of sold products), category 12 (end-of-life treatment of sold products), and category 14 (franchises), are not prioritized at this stage due to their lower

materiality in SBM Offshore's emissions reporting efforts. These ongoing efforts aim to enhance the accuracy and comprehensiveness of emissions reporting in line with SBM Offshore's sustainability objectives.

Emission factors for scope 1 and 2

Country	Location	Emission factor scope 1		Emission factor scope 2 Location based		Emission factor scope 2 Market based	
		2024	2023	2024	2023	2024	2023
The Netherlands	Amsterdam	1.779[2]		0.171[1]	0.370	0[1]	0
	Schiedam KDW 48	1.779[2]	1.785	0.171[1]	0.370	0[1]	0
	Schiedam KDW 66	1.779[2]	1.785	0.171[1]	0.370	0[1]	0
India	Bangalore	-	-	0.934[3]	0.713	0[1]	0.713
France	Carros Laboratory	2.045[4]	2.04	0.034[1]	0.041	0[1]	0.041
	Carros Workshop	2.045[4]	2.04	0.034[1]	0.041	0[1]	0.041
Guyana	Georgetown (Sheriff Street)	-	-	0.753[3]	0.616	0.753[3]	0.616
	Georgetown (Turkeyen)	-	-	0.753[3]	0.616	0.753[3]	0.616
United States	Houston	-	-	0.375[3]	0.373	0.375[3]	0.373
Malaysia	Kuala Lumpur	-	-	0.615[3]	0.436	0[1]	0.349
Portugal	LBH.E (Lionesa Business Hub)	-	-	0.417[1]	0.164	0[1]	0.164
	LBH.A (Lionesa Business Hub)	-	-	0.417[1]	0.164	0[1]	0.164
	LBH.B (Lionesa Business Hub)	-	-	0.417[1]	0.164	0[1]	0.164
Angola	Luanda Shorebase	2.662[4]	2.594	0.167[3]	0.426	0.167[3]	0.426
Equatorial Guinea	Malabo Shorebase	-	-	0.346[3]	0.361	0.346[3]	0.361
Switzerland	Marly	-	-	0.006[1]	0.012	0[1]	0
Monaco	Monaco	-	-	0.034[1]	0.041	0[1]	0
Brazil	Rio de Janeiro	-	-	0.074[3]	0.150	0[3]	0
	Santos Shorebase	-	-	0.074[3]	0.150	0[1]	0.150
China	Shanghai	-	-	0.661[3]	0.557	0[1]	0.557
Singapore	Singapore	-	-	0.502[3]	0.408	0[1]	0.408

1 Source: Association of Issuing Bodies 2023
2 Source: CO_2emissiefactoren.nl
3 Source: Carbon Footprint Ltd 2024
4 Source: DEFRA 2024

IOGP benchmark

Indicators	Benchmark	Unit	Reference
Total GHG emissions	128	tonnes of GHG/1,000 tonnes of hydrocarbon production	IOGP Environmental performance indicators – 2022 data – page 16
Total gas flared	8.6	tonnes of gas flared/1,000 tonnes of hydrocarbon production	IOGP Environmental performance indicators – 2022 data – page 26
Energy consumption	1.5	GJ/tonnes of hydrocarbon production	IOGP Environmental performance indicators – 2022 data – page 24
Oil-in-water	9.5	tonnes oil discharged to sea from produced water/ 10^6 tonnes of hydrocarbon production	IOGP Environmental performance indicators – 2022 data – page 28
Oil spills	0.4	oil spills greater than 1 bbl/10^6 tonnes of hydrocarbon production	IOGP Environmental performance indicators – 2022 data – page 38

3.9.3 SOCIAL REPORTING BOUNDARIES

OUR PEOPLE

SBM Offshore's HR data covers the global workforce and is broken down by countries, gender and employment type. The performance indicators report on the workforce status at year-end December 31, 2024. They include all staff assigned on unlimited or fixed-term contracts, employee new hires and departures, the total number of locally-employed staff from agencies and all crew working on board on the offshore operations units and shorebases.

In general, human resources initiatives and goals have continued, without a specific time frame. The performance and effectiveness of actions and projects are evaluated annually.