



2023 ANNUAL REPORT

BM
OFFSHORE



This builds on progress in the past, such as the low-carbon modules delivery in 2021. Further planned milestones and achievements can be read in sections 1.4.3 and 2.2. The success of the program and the impact on the above stated ambitions is highly dependent on market acceptance. SBM Offshore is therefore open for business on emissionZERO® and welcomes engagement with its value chain.

FUTURE

SBM Offshore remains committed to the ramp-up of emissionZERO® in the coming years and to keep setting targets to reduce emissions, as explained in section 2.2.

For 2024, and in line with the ambition to reduce carbon intensity in its value chain, SBM Offshore has set a target to achieve 1.57 million standard cubic feet per day of flaring, for scope 3 downstream leased assets. This target factors in uncertainties in flaring due to two FPSOs that will still be in early phase of production. For scope 1 and 2 emissions, SBM Offshore will define an approach to balance emissions from office energy, which means SBM Offshore will prepare for investments into meaningful projects that offset emissions in scope 1 and 2.

SBM Offshore remains committed to achieve better environmental performance than the 2022 IOGP industry benchmark for energy consumption and oil spills per production; and 50% better than the 2022 IOGP industry benchmark for oil produced in water.

From 2024, SBM Offshore will investigate data regarding purchased goods and services during Operations and Decommissioning phases, so it can engage and influence suppliers to reduce their carbon footprint in the future. Also, energy consumption could be positively impacted by application of thermal film in office windows, stabilizing temperatures in the buildings.

In the coming period, SBM Offshore will keep monitoring its performance against long-term and intermediate climate targets. SBM Offshore is aware that some of its clients' current assets will potentially be in service in 2050, with associated emissions. For that purpose, engagement with clients and joint ventures – on investments and potential offsets – is performed as part of SBM Offshore's engagement targets.

2.1.8 DIGITALIZATION

MANAGEMENT APPROACH

The purpose of digitalization in SBM Offshore remains focused on improving the efficiency of the organization and leveraging data to learn from events. The related value creation is carefully monitored, and the benefits are

realized by the introduction of optimized work processes, the reduction of costs and emissions, the transformation of SBM Offshore's core products and ways of working and the creation of new digital services.

SBM Offshore organizes its IT and digital ecosystem through a more consolidated structure, leveraging four main pillars: Smart Enterprise, Smart Win and Execution, Smart Operations and Smart Services. The four pillars rely on a solid Information Technology infrastructure and dynamic Enterprise and Product Lifecycle Data Management.

Digitalization gives new skills to employees, new services to clients and new business for suppliers. New functions within the organization are filled by new hires and experienced SBMers receive education and on-the-job training. Management of any impacts associated with cyber security is described in section 1.4.2.

2023 PERFORMANCE

Smart Enterprise: A resilient and responsive organization operates efficiently while providing better customer and business services using the latest enterprise applications. It enables better workplace productivity and enables a workforce to respond promptly to changes. In 2023, the main achievements under this pillar were:

- Continued the deployment of the new ERP system in Brazil.
- Initiated progressive deployment of new ERP modules for Project Management to ongoing FPSO projects.

Smart Win and Execution: Increased Win and Execution data availability, quality and continuity from structured data and integrated digital solutions. The main achievements under this pillar in 2023 were:

- eConstruction program continued with 3D construction and workfront management now well deployed at construction yards for ongoing FPSO projects.
- Engineering collaborative environment continued with further developments to improve engineering productivity as well as data and deliverables quality.
- Cost-estimating solution optimizing Win phase and ensuring consistency through end-to-end processes with Execute phase now deployed on ongoing proposals.

Smart Operations: An Operational Intelligence and Performance Optimization Center staffed with industry experts. Digital surveillance as the first line of defense to reinforce operational excellence and contribute to net zero objectives. Remote monitoring, abnormal behavior detection, predictive operations and maintenance based on SBM Offshore-developed applications as well as industry standard solutions. The main achievements under this pillar in 2023 were: