



OFFSHORE

ENERGY. COMMITTED.

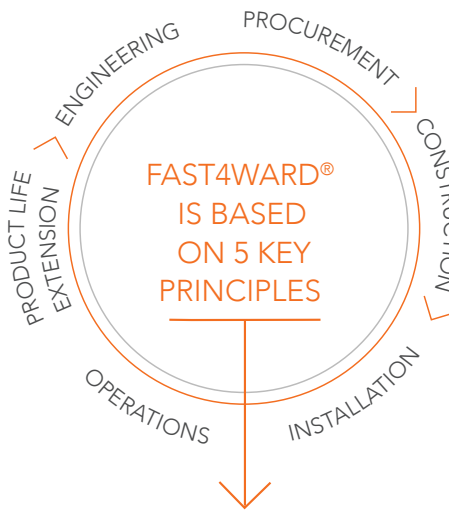
ANNUAL REPORT 2021

2 PERFORMANCE REVIEW & IMPACT

FAST4WARD®



Fast4Ward® is SBM Offshore's program to transform the business by reducing cycle time to energy delivery, de-risking projects and improving quality and safety.



CLIENT FIRST



STANDARDIZATION



FLAWLESS EXECUTION



INTEGRATED SUPPLY CHAIN



ENABLING DIGITAL SOLUTIONS

REDUCING CYCLE TIME

DE-RISKING PROJECTS

ENABLING LOWER BREAK-EVENS

UP TO 12 MONTHS FASTER

STANDARDIZED HULL AND TOPSIDES

LOWER CAPEX AND OPEX

2.1.7 EMISSIONS

MANAGEMENT APPROACH

The topic of emissions is dealt with in various parts of the organization as explained under the HSSE and Environmental Reporting approaches in sections 2.1.4, 5.2.1 and 5.2.2. SBM Offshore is reporting to CDP and considering IOGP statistics to ensure the right benchmarking.

SBM Offshore's long-term emission reduction ambitions are explained in section 1.4.3. In 2021, SBM Offshore set targets to reduce flare emissions on its activities, develop low- and non-carbon solutions, to have zero oil spills and to reduce air-travel-related emissions. SBM Offshore added scope to its disclosures and further aligned scoping to the GHG-Protocol. This results in the reclassification of the majority of emissions formerly reported under Scope 1 to Scope 3 (see section 5.2.2 for detail).

Furthermore, SBM Offshore strives to outperform industry benchmarks on the following indicators:

- GHG emissions², gas flare³, energy consumption⁴.
- Oil in produced water⁵, oil spill per production⁶.

² 138 tonnes of GHG emissions per thousand tonnes of hydrocarbon produced as reported by companies participating in the 2019 IOGP environmental performance indicators, Report p.16

³ 10.6 tonnes of gas flared per thousand tonnes of hydrocarbon produced as reported by companies participating in the 2019 IOGP environmental performance indicators, Report p.26

The efforts in emissions management build upon years of action taken to bring emissions down structurally. For example, gas flaring intensity in 2021 is 28% lower than in 2017. Through this approach, SBM Offshore is mitigating risks in the light of climate change and social license to operate, as mentioned in section 1.4.2.

SBM Offshore focuses on GHG emissions while also addressing other emissions – such as emissions to water and non-GHG emissions. Further information can be found in sections 2.2 and 5.3.

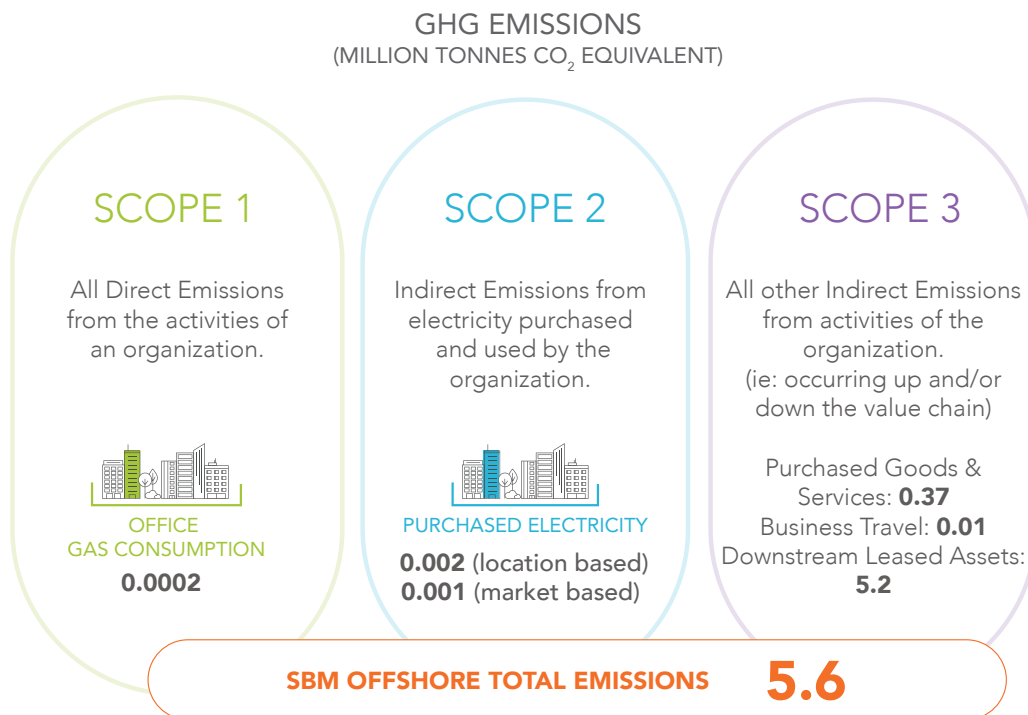
2021 PERFORMANCE

During 2021 a total of 5.6 million tonnes of GHG emissions are reported, 99% of this being Scope 3 emissions. The total is 2% lower than in 2020, despite an increase in voluntary disclosure – purchased goods and services – that adds 6% in reported GHG emissions volume compared to last year. Furthermore changes to scoping have been applied during 2021, for which details can be read in section 5.2.2. ('Changes in Reporting').

⁴ 1.5 gigajoules of energy for every tonne of hydrocarbon produced as reported by companies participating in the 2019 IOGP environmental performance indicators, Report p.24

⁵ 13 tonnes of oil discharged to sea per million tonnes of hydrocarbon produced as reported by companies participating in the 2019 IOGP environmental performance indicators, Report p.28

⁶ 0.5 oil spills greater than one barrel per million tonnes of hydrocarbon produced as reported by companies participating in the 2019 IOGP environmental performance indicators, Report p.37



Scope 1 – Direct Emissions

Scope 1 emissions comprise the gas powered heating in offices where SBM Offshore is the sole renter of an office building. In 2021 these emissions amounted to 237 tonnes

GHG CO₂ equivalent. This is an increase compared to 2020 due to higher project office activity.