# 2023 ANNUAL REPORT

SBM OFFSHORE

## 2.1.10 ENERGY TRANSITION

### MANAGEMENT APPROACH

Key elements that enable SBM Offshore's success in the energy transition area are:

- The emissionZERO® program, explained in section 2.1.7.
- Product development for floating offshore wind, wave and other alternative energies.
- Technology development supporting these product developments, (see more detail in section 2.1.9).

Product development for new products to support the energy transition is addressed through SBM Offshore's Floating Production Systems and New Energies and Services business units, in collaboration with the Technology Department. An important step in this process is the development of concepts, prototypes and pilot projects, which can also be undertaken as co-development projects with partners and/or customers. SBM Offshore monitors its commercial pipeline to allow it to achieve its 2030 ambition.

With this management approach to energy transition, SBM Offshore is addressing the significant risks of oil price dependency, portfolio risks and climate change, described in section 1.4.2.

SBM Offshore reports in line with the EU taxonomy regulation and leverages the framework to set targets for, and report on, the energy transition. Disclosures are found in section 5.1.2.

### 2023 PERFORMANCE

SBM Offshore has made the following achievements in 2023:

- The three Provence Grand Large floating foundations were successfully installed. These units stand tall as global pioneers, utilizing SBM Offshore's tension leg floater, developed in collaboration with IFP Energies Nouvelles.
- SBM Offshore signed a Partnership Agreement with Mitsubishi Heavy Industries Ltd. (MHI) that will offer a $CO_2$ capture solution for FPSOs. The agreement follows a successful engineering and design study conducted by both companies demonstrating the technical feasibility and commercial readiness of $CO_2$ capture technology offshore. The technology can reduce $CO_2$ emissions from overall FPSO operations by an estimated 70%, by capturing $CO_2$ from onboard gas turbines. The solution is being developed as part of SBM Offshore's emissionZERO® program using Fast4Ward® principles.
- SBM Offshore has made partnerships to pursue FOW opportunities globally. The Renewables Project Development organization formalized a new joint venture with DP Energy to develop the 300MW to 400MW Nova East Wind project offshore Canada. In addition to Nova East Wind, the portfolio of projects under development by SBM Offshore also includes 2 x 100MW Llŷr, 60MW Cademo and 1,000MW North Channel Wind projects, with further development opportunities under investigation.
- The seawater intake riser program, bringing cold water from deep in the ocean to the FPSO to cool FPSO systems and reduce energy use, moved to phase 3 of project development with a client.
- SBM Offshore has invested 52.3% of the total 2023 Group Technology R&D budget in EU-Taxonomy-eligible[13] renewable energy technology and product development. This includes further development of the next generation of Tension-Leg Platform (TLP) floater design, Wave Energy Converter products as well as studies in floating solar, energy storage and hydrogen and ammonia for offshore applications.
- WEC S3® achieved a major milestone with the start of fabrication of its first full-scale section. Once completed, it will be tested in the WEC test facility at SBM Offshore's R&D Laboratory in Carros, France.
- SBM Offshore continues to work on projects that address emissions reduction along the lifecycle of its business, as part of its emissionZERO® portfolio (see section 2.1.7).

The revenues, CAPEX and OPEX associated with these projects and initiatives add to EU-Taxonomy-eligible business, as reported in section 5.1.5. SBM Offshore's commitments should lead to higher revenues from eligible business in the future, with 2023 R&D investment already reflected in the EU-Taxonomy-eligible OPEX KPI stated. Above-mentioned R&D investments are visible in the OPEX KPI reported. These activities support the mitigation of and/or adaptation to climate change impacts.

### FUTURE

SBM Offshore will continue to build upon these achievements and is looking to develop from renewable energy pilots to commercial scale energy infrastructure, as well as increasing its role in the supply chain, with the aim of creating more value. Floating Offshore Wind will remain a market that is going to take time to mature.

## 2.1.11 MARKET POSITIONING

### MANAGEMENT APPROACH

Market positioning is about having a global presence, adapting to market developments and engaging in emerging markets.The size of the business, new business development and sustainability benchmarks are seen as strong indicators of a successful management approach. Examples of metrics are the performance of the fleet, the revenue backlog, the number of projects won, the new

[13] Based on 2023 eligibility KPI definitions explained in section 5.1.5.

developments in the renewables market and SBM Offshore's ESG ratings performance. The effectiveness of actions related to these metrics is monitored through the regular business reporting cycle involving the Management Board.

SBM Offshore's strategy addresses material topics, aiming for a leadership position, from an economic, environmental and societal stand point. Through market positioning, SBM Offshore addresses the competitiveness risks mentioned in section 1.4.2.

### 2023 PERFORMANCE

Performance is detailed in subsections of 2.1. The following achievements were made in 2023:

- FEED contract award for FSO project: Trion.
- FEED contract award for FPSO project: *Whiptail.*
- The FPSO *Liza Unity* purchase option was exercised by ExxonMobil Guyana.
- A 10-year agreement with ExxonMobil Guyana for the operations and maintenance of the Guyana FPSO fleet. The lease terms and durations remain the same for all units. SBM Offshore will operate the units through an Integrated Operation Model, which encompasses an organization model including seconding ExxonMobil Guyana employees in some key onshore and offshore positions. This model will combine both companies' experience and resources to increase team efficiency and foster synergies.
- Fleet size of 16: 15 FPSOs and 1 Semi-submersible. (Including FPSO *Prosperity*).
- 388.4 years of cumulative operating experience.
- Five FPSO projects under construction and two Fast4Ward® multi-purpose floaters, including MPF #7 allocated to the Whiptail development project.
- Contract award for the marine installation for both Trion projects, the semisubmersible-based Floating Production Unit and the FSO, which will be SBM Offshore's largest ever installation scope.
- Launch of digital solution platform, SBM+, designed for offshore asset management. SBM+ delivers services based on solutions currently deployed and tested on SBM Offshore's fleet. It unlocks the full potential of data to transform offshore asset operations by empowering clients to optimize their assets' performance and leverages SBM Offshore's proven track record, industry expertise, operational framework and innovative digital solutions.
- Solid sustainability rankings – most notably in S&P Global, CDP and Sustainalytics (section 2.2).
- Part of Euronext's AEX® ESG Index, an index of shares of Dutch-listed companies with a strong ESG performance (25 best-in-class performer).

### FUTURE

In 2024, SBM Offshore's focus remains the safe and reliable execution of its ongoing projects and operation of its fleet. SBM Offshore also continues to engage early with clients and vendors to make further progress on the emissionZERO® program and enable the energy transition by leveraging SBM Offshore's unique capabilities in floating solutions. To further advance the energy transition and SBM Offshore's role in this, SBM Offshore will continue to seek innovation in line with stakeholders' needs and offer digital solutions to the market.

## 2.1.12 DECOMMISSIONING

### MANAGEMENT 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, applying the Hong Kong Convention rules and the principles of the EU Ship Recycling Regulation 1257/2013 or equivalent.

The processes surrounding the end-of-life recycling of products are vital to sustainability and SBM Offshore works to ensure that responsible recycling is carried out and that internationally-recognized regulations are followed. SBM Offshore has a 'Vessel Decommissioning and Recycling Process', which details the key steps in conducting the responsible recycling of an offshore production facility.

SBM Offshore works with recycling facilities that have suitable infrastructure, an adequate management system, including health and safety procedures in place, and trained staff. SBM Offshore's process includes inspecting all vessels for hazardous materials identification and ensuring a controlled removal and disposal of such materials as part of the decommissioning and recycling of the vessel. SBM Offshore considers the environmental and social impacts related to the decommissioning and recycling activities of each vessel, with the objective of minimizing adverse impact while pursuing maximization of the circular economy.

### 2023 PERFORMANCE

During 2023, two projects were in progress; the decommissioning and preparing for recycling of *FPSO Capixaba* and the recycling of the Deep Panuke MOPU PFC.

The recycling of Deep Panuke is being performed locally in Nova Scotia, Canada. Recycling is progressing as per plan and nearing 100% by end of 2023. Of the total mass of the Deep Panuke facility, 97% has been recycled, reused, or repurposed. The remaining 3% consists of waste, which was safely disposed of, meeting the environmental