



2023 ANNUAL REPORT



2 PERFORMANCE REVIEW AND IMPACT

regulations of the local jurisdictions of Nova Scotia and Canada. Furthermore, this project contributed to Sustainable Development Goals by promoting local economic development, establishing traceable waste management streams and supporting habitat creation for a variety of marine species including the endangered Atlantic salmon through deployment of reef balls, built by the local Mi'kmaq community that were placed at several locations in the harbor.

The *FPSO Capixaba* offshore decommissioning scope is in its final phase. The unit has been disconnected from subsea production systems infrastructure and remains moored until it is transported to the recycling yard. For this purpose, SBM Offshore has signed a contract with Modern American Recycling Services Europe for the safe and environmentally sound recycling of the unit at its recycling facility in Denmark.

SBM Offshore is participating as a co-chair of the expert group of IOGP to promote responsible FPSO recycling. Areas of attention for this group are:

- Sharing of best practices and lessons, using experience from IOGP members.
- Developing good practice guidelines for FPSO decommissioning including for safe and environmentally responsible recycling in compliance with international and local regulations.
- Enabling supply chain availability and readiness by compiling forecast data on FPSO recycling demand.
- Engaging with external expert groups, NGOs, and other relevant stakeholders to learn about expectations and identifying common standards and best practices.

FUTURE

During 2024, SBM Offshore expects to begin dismantling and recycling *FPSO Capixaba* in Denmark. After the close out of the recycling of *Deep Panuke*, SBM Offshore remains committed to related sustainability projects. At the same time, SBM Offshore is supporting economic development in the region through commercial activities for floating offshore wind, together with its partners.

2.2 SUSTAINABLE DEVELOPMENT AND LOCAL IMPACT

MANAGEMENT APPROACH

Environmental, social and governance-related topics are foundational to SBM Offshore's business and consequently drive its strategy development and performance management process. It is the role of every SBMer to contribute positively to this. SBM Offshore is further embedding sustainability in the business by, for example, increasing low-carbon products and promoting local voluntary projects for positive impact.

SBM Offshore leverages the UN SDG framework to steer on positive impact. It has identified nine SDGs to which it can contribute with the most impact, and which are most material to its business. SBM Offshore strives to embed the selected SDG topics within the organization and targets are built with inputs and commitments from different business entities, such as business development, HSSE and operations, as part of business plans and budgets.

A sustainability team is providing guidance to drive positive local impacts aligned with the SDG framework and impacts mentioned in chapter 2. The team reports into the portfolio of the Chief Executive Officer (CEO). SBM Offshore has sustainability ambassadors in various countries working with local colleagues and communities.

SBM Offshore is committed to alignment with the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (MNE). As part of Projects, SBM Offshore applies guidance by the World Bank and works within Environmental Impact Assessments and Stakeholder Engagement outcomes conducted by its clients.

2023 PERFORMANCE

SBM Offshore has built on previous years' efforts and commitments to increase its positive impact on selected SDG targets. This performance program is linked to SBM Offshore's Short-Term Incentive (STI) scheme. An overview of SBM Offshore's contribution towards the SDGs is provided in the SDG table.

Overall SBM Offshore is pleased with meeting the performance on 13 out of the 14 SDG-linked targets set in 2023. Although SBM Offshore aims for completion of all targets, challenges are part of the journey for improvement and sustainability. On SDG 4 – completing climate change & energy transition awareness program – SBM Offshore achieved 93% completion instead of the targeted 100%. For a small part of the targeted offshore community, operational priorities inhibited completion.

Detail on the performance against SDG-linked targets is provided in the table found at the end of the section. Three examples of targets SBM Offshore has achieved are:

1. SBM Offshore had set the target for validated investment for climate neutral office energy, as part of SDG 7, for which SBM Offshore has committed the required budget for 2024.
2. To contribute to SDG 10 'Reduced Inequalities', SBM Offshore organized school outreach programs for different locations. Guyana ran a STEM program that caters for indigenous women, with awardees pursuing their studies at the University of Guyana. In Monaco, SBM Offshore developed and piloted the first school outreach program with partner, Elles Bougent. The program encourages young female students to undertake scientific and technical academic training and aims to strengthen gender diversity in enterprises in the industrial and technology sectors. Women in engineering or technical roles at SBM Offshore volunteer to share their career passion through workshops, presentations, and demonstrations to middle school and high school students.
3. In the construction phase of FPSOs, further progress has been made on monitoring of GHG emissions at all nine yards in which FPSOs are being built by SBM Offshore and are included as part of SDG 13 Climate Action.

A key topic to SBM Offshore's business is biodiversity, reflected in actions taken in the light of SDG 14. During 2023, SBM Offshore has further familiarized itself with guidance from the Taskforce for Nature-related Financial Disclosure (TNFD) – reflecting on nature-related dependencies and impacts. Nature-based dependencies are present in all parts of the business, within particular downstream leased assets (FPSOs) offshore – mainly being weather conditions, food supply and the impact to stakeholders such as local fisheries.

A key input for dealing with nature-related impacts are clients' environmental impact assessments, which include impacts to life below water and impacts to communities that depend on this life. As part of its materiality assessment – described in section 1.2.2 – SBM Offshore has assessed impacts related to biodiversity. During project financing, biodiversity is a topic for due diligence, typically based on IFC Performance Standards. In that light, based on critical habitat assessments carried out in Brazil, SBM Offshore confirmed that, using Rio de Janeiro as the port base for installation activity, no risks of crossing critical habitats exist. At this point, targets related to life below water concern water discharge indicators and SBM Offshore's approach to ocean data sharing, including fauna observation in operations. Furthermore, as part of the Deep Panuke recycling project, SBM Offshore contributed

to reef restoration with positive impact based on monitoring during 2023. The target for 2023 related to 'Life Below Water' has been achieved, as described in the SDG-linked targets table.

SBM Offshore takes pride in its continuous improvement approach and will apply the knowledge gained from its performance in future target setting. This has led to solid ratings in sustainability benchmarks, as per the following table.

Ranking of SBM Offshore in Sustainability Benchmarks

Benchmark	2023	2022	Comment
CDP	B ¹	A-	'Taking climate actions'
(A to D-)			
S&P Global, score	56 ²	75	Top 5% in Industry
(out of 100)			
Sustainalytics, ESG risk	15.3	14.5	'Low ESG risk' and ESG Industry Top Rated
(0-40+, lower scores indicate better performance)			

1 As per the new policy by CDP, 'B' is the maximum possible score for companies not disclosing the detailed CDP survey responses. As per this report SBM Offshore discloses publicly its emissions performance, climate change impacts, ambitions and GHG data in sections 1.4.3, 2.1.7. and 5.3.2.

2 Ranking as per January 22, 2024. SBM Offshore has engaged with S&P Global on a re-assessment to understand the differences versus 2022.

Local impact

SBM Offshore has sustainability ambassadors and professionals in Brazil, Guyana, Malaysia, China, India, the Netherlands, Monaco, USA, Switzerland, Angola and Portugal. They engage with local employees, organize SDG-related activities for positive impact and are part of SBM Offshore's effort to embed sustainability in the business with local initiatives. A few examples of the actions taken are highlighted below.

Guyana

SBM Offshore further continued its technical, financial and advisory support, with Plympton Farms in light of SDG 3 'Good Health and Wellbeing'. This agricultural project is the largest hydroponics farm in the country, turning barren earth into lucrative farmland and creating stable jobs for residents in remote areas of the country. SBM Offshore aided in constructing three acres of greenhouses. This project supports national targets of reducing food importation by 25% by 2025 as well as helping to reduce SBM Offshore's environmental footprint associated with food production and imports by providing FPSOs with quality, fresh, locally grown food. The farm supplied approximately 2,500kg of fresh farm produce in 2023 to FPSOs *Liza Unity*, *Liza Destiny* and *Prosperity*.

2 PERFORMANCE REVIEW AND IMPACT

On SDG 4 'Quality Education', SBM Offshore, in partnership with the Guyana Marine Conservation Society, launched the Education and Awareness Programme on the Barima-Mora Passage, a wildlife hub in Mabaruma which is home to an extensive spread of mangroves, several IUCN red list species and incredible indigenous culture. Through this program, 10 schools will increase their knowledge and appreciation of the mangroves and the biodiversity of the area, whilst fueling their drive to protect and conserve the wildlife hub. As part of the initiative, the inaugural Wildlife Festival was launched in Mabaruma on July 26, the day declared as International Day for the Conservation of the Mangrove Ecosystem, which saw schools in the Mabaruma sub-district participating in a range of educational and cultural activities.

In addition to contributing to SDG 4 and SDG 10, SBM Offshore Guyana has partnered with the National Coordinating Coalition to implement a literacy program with 35 students aged 6 to 16. The program aims to address the existing educational and social gaps within Sophia D&E Fields and Cummings Park communities. This program completed its first year in June 2023 with 32 students graduating and the second year began in July 2023.

In addition, the Sherriff Street location of SBM Offshore Guyana has been equipped with a solar panel system that has been operational since March 2023, and has reduced SBM Offshore's emissions by approximately 38 tonnes CO₂ equivalent (SDG 7 and SDG 13).

To further support local economic growth, as per SDG 8 'Decent Work and Economic Growth', and act on the need for sustainable income generation and the diversification of Guyana's economy, SBM Offshore provided support to Hubu Aquafarm to boost production of shrimp and prawns.

To contribute to SDG 10 'Reduced Inequalities', SBM Offshore organized a school outreach program for different locations. Guyana ran a STEM program that caters for indigenous women, with awardees pursuing their studies at the University of Guyana.

For SDG 12 'Responsible Production and Consumption', SBM Offshore Brazil has spent time, in partnership with Earthwake, to innovate and develop a machine which transforms plastic waste into fuel through the combination of pyrolysis technology and precision distillation. Subsequently, the produced fuels will be donated to remote communities offgrid to provide electricity.

Further, SBM Offshore Guyana received three awards this year: firstly, for its Quality, Health, Safety and Environment

Culture from the Guyana National Bureau of Standards; secondly, for SBM Offshore's Catalyst of Change Award from AMCHAM for its social investment initiatives; thirdly, from the 'Guyana Manufacturing and Services Association (GMSA)' a Corporate Social Responsibility Award 'in recognition of SBM Offshore's substantial contribution in Corporate Social Responsibility'.

Brazil

In Brazil, SBM Offshore organized internal initiatives for more than 800 employees associated with SDG 10, to raise awareness of issues relevant in the local context, such as prejudice, racism and harassment and inaugurated the first D&I Employee Library with a collection of titles on diverse topics, including race, gender, LGBTQIA+, disabilities, children's literature, and titles related to personal development, leadership, and empowerment. For SDG 14, on Ocean Day, SBM Offshore Brazil promoted various environmental education initiatives by organizing an exhibition on the main marine species in the area of SBM Offshore operations.

Furthermore, SBM Offshore Brazil implemented the first phase of a zero-landfill project, applying a circular economy approach to identify opportunities for improvement in processes that affect waste generation. The project aims to reduce, reuse and recycle at source, minimizing the waste that ends up in landfills or non-energy incinerators to the technical limit. This assessment was carried out on site on two vessels, *FPSO Cidade de Anchieta* and *FPSO Cidade de Saquarema*, and in a logistics warehouse that supports operations, and included a detailed analysis of supply-chain processes and contracts.

Malaysia

In Malaysia SBM Offshore partnered with JA Malaysia on SDG 4 to support and mentor a group of students from SMK Seafield to create their company where they used recycled items to make fashionable products and exhibit them. Various SBM Offshore employees, including senior management, were involved in coaching.

Various initiatives were taken in relation to SDG 14 'Life Below Water'. SBM Offshore Malaysia raised awareness about the importance of protecting the marine environment, with 17 SBM Offshore volunteers and 15 underprivileged children. It featured engaging talks on the impact of plastic pollution on marine ecosystems and the crucial role of coral reefs in supporting marine life. The day included a visit to the solar-powered floating rubbish collection barge.

China

In China, more than 95% of local staff in SBM Offshore China have received first aid training this year and are now

certified first aiders, associated with SDG 3. Associated with SDG 8, SBM Offshore China continued initiatives for the human rights program in the yards. For details on the activities and progress on human rights see section 2.1.3. For SDG 4 and SDG 14, SBM Offshore globally organized beach clean-up activities. Additionally, SBM Offshore China organized workshops on reducing the plastic footprint and a biodiversity 'Protect Black-faced Spoonbill' campaign was organized, focused on raising the awareness of employees on protecting ocean health and threatened species.

Angola

Related to climate action, in Angola, a partnership was formed with the Otchiva Association to protect and restore mangrove ecosystems by planting seeds. Furthermore, SBM Offshore organized cancer awareness for its employees, visited a cancer institute and made donations of supplies for hospitalized children. There was a donation campaign of essential goods organized for over 200 socially vulnerable families living in poverty in the Lupupa community in Angola.

India

There have been several health and wellbeing initiatives, such as first aid training and healthy mind toolkit for colleagues, associated with SDG 3. Multiple competitions for SBM Offshore colleagues in India were organized including on health and recycling. Celebrations were also held for International Women's day to empower women and embrace equity.

Other

The Monaco office took part again in the annual Monaco Energy Boat Challenge, competing in the Energy Class. SBM Offshore runs a green hydrogen-powered boat and continues to develop this and aims to contribute, with its

research, to the development of clean energy, as highlighted in SDG 7 'Affordable and Clean Energy'. The office hosted teams from six schools in Guyana, who participated in a local qualifier event for the Monaco Mousetrap Cars Grand Prix, which encourages students to learn and apply the laws of physics, associated with SDG 4 and SDG 9.

Colleagues in the Netherlands teamed up on a beach clean up in Hoek van Holland, supporting Stichting Noordzee, an association that supports a clean and healthy North Sea. In the USA, initiatives around plastic consumption reduction and a preventive health campaign were deployed.

In Porto, awareness sessions about the SDG's, particularly SDG 13 and SDG 8 were organized for employees. Associated with SDG 3, to raise awareness on breast and prostate cancer, the Portuguese League Against Cancer and Portuguese Association for Prostate Patients was invited. A donation campaign and volunteering was organized to support local institutions on their mission to help homeless people and children at risk.










Worldwide, close to 30 charitable donations were made across the various locations where SBM Offshore is active. These include contributions to local education, literacy projects, sustainable fishing and an ocean protection expedition.

FUTURE

SBM Offshore has formulated SDG-linked targets as part of its Material Topics for 2024, hence taking an integrated approach and further embedding ESG in its performance-management processes. SBM Offshore will continue its efforts to structure local projects in line with its Material Topics and SDG-linked actions.

2 PERFORMANCE REVIEW AND IMPACT

SUSTAINABLE DEVELOPMENT GOALS: LONG-TERM TARGETS, 2023 TARGETS AND RESULTS

SDG	TARGET AREA	LONG-TERM COMPANY TARGETS ¹	2023 COMPANY TARGETS	2023 RESULTS
3 GOOD HEALTH AND WELL-BEING 	<ul style="list-style-type: none"> Health & Wellbeing 	<ul style="list-style-type: none"> A leader on Employee Health & Wellbeing 	<ul style="list-style-type: none"> 70% participation health check programs 	79%
4 QUALITY EDUCATION 	<ul style="list-style-type: none"> Education for Sustainable Development 	<ul style="list-style-type: none"> Co-develop climate change & energy transition awareness program for developing regions 	<ul style="list-style-type: none"> Complete climate change & energy transition awareness program for targeted operations community 	93%
7 AFFORDABLE AND CLEAN ENERGY 	<ul style="list-style-type: none"> Access to Energy Energy Efficiency 	<ul style="list-style-type: none"> Approved investment plans in support of net zero by no later than 2050 (Downstream Leased Assets installed base) Project offices consume 100% of green energy 	<ul style="list-style-type: none"> Operational excellence on gas flared: 1.48 mmscf/d average Validated investment for climate neutral office energy 	1.18 Completed
8 DECENT WORK AND ECONOMIC GROWTH 	<ul style="list-style-type: none"> Human Rights Occupational Safety & Process Safety 	<ul style="list-style-type: none"> Fully embed human rights & social performance within SBM Offshore to achieve no harm Top 10% performer in Occupational Safety & Process Safety Events 	<ul style="list-style-type: none"> Deliver 2 human rights/worker welfare initiatives per region that contribute to remedy of human rights impacts aligned with SBM Offshore Human Rights Standards, including current salient issues TRIFR: 0.14 T1 Process Safety Events with > 3 in severity score 	>2 0.08 1
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<ul style="list-style-type: none"> Energy Transition & Decarbonization 	<ul style="list-style-type: none"> >2GW FOW installed or under construction by 2030 Offer the market with near zero emissions FPSO 	<ul style="list-style-type: none"> 50% of R&D budget allocated to EU Taxonomy eligible technologies Carbon Capture Module readiness for Pre-FEED 	52.3% 100%
10 REDUCED INEQUALITIES 	<ul style="list-style-type: none"> Diversity & Inclusion 	<ul style="list-style-type: none"> Reduce inequality within and among countries 	<ul style="list-style-type: none"> Develop & pilot a school outreach to promote women in engineering and encourage younger generations to take interest in the energy transition business 	Completed
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	<ul style="list-style-type: none"> Circularity 	<ul style="list-style-type: none"> Ensure sustainable consumption and production patterns 	<ul style="list-style-type: none"> Launch ZEROlandfill project in Brazil, action plan for one pilot vessel approved 	2
13 CLIMATE ACTION 	<ul style="list-style-type: none"> Climate Change Management 	<ul style="list-style-type: none"> Run a strategy and action plan compatible with a transition to net zero by no later than 2050 	<ul style="list-style-type: none"> Launch GHG-emissions monitoring for construction phase 	100%
14 LIFE BELOW WATER 	<ul style="list-style-type: none"> Ensure Ocean Health & Protect Ecosystems 	<ul style="list-style-type: none"> Reduce Oil in Water Discharge Intensity to zero Develop Marine Diversity Intelligence & Improvement Framework, including target management 	<ul style="list-style-type: none"> Manage oil in water discharge to 50% below industry average Deliver ocean data sharing project, including fauna surveillance 	66% 100%

1. By 2030 unless specified otherwise.

