



2023 ANNUAL REPORT



5.2 REPORTING BOUNDARIES

SBM Offshore not only reports on impacts it causes, but also on impacts it contributes to and impacts that are linked to its activities. In each of the following paragraphs, SBM Offshore elaborates in detail on the boundaries of SBM Offshore's material topics, which are consistent with the boundaries in the previous year. The boundary of a material topic relates to the parts of the organization and supply chain covered in the figures.

5.2.1 HEALTH, SAFETY AND SECURITY REPORTING

SBM Offshore's people work in demanding roles and conditions, with different risks to manage. The Health, Safety and Security (HSS) performance indicator boundaries take into account:

- Employees, which include all direct hires, part-time employees, locally-hired agency staff ('direct contractors') in the fabrication sites, offices and offshore workers, i.e. all people working for SBM Offshore.
- Contractors, which include any person employed by a contractor or contractor's subcontractor(s) who is directly involved in execution of prescribed work under a contract with SBM Offshore.

Until 2021, HSS incidents were reported and managed through SBM Offshore's incident management tool (SRS – Single Reporting System), which is a web-based reporting system that is used to collect data on all incidents occurring in all locations where SBM Offshore operates. In 2021, SBM Offshore developed and began using the IFS Incident Management/Corrective Action Preventive Action (IM/CAPA) module for Brazil operations. In 2022, the IFS IM/CAPA module was rolled out to Guyana, Angola and Malaysia operations as well as projects. In 2023, it was further rolled out to the remaining company locations, with the exception of *FPSO Serpentina*.

Safety incidents are reported based on the incident classifications as defined by the IOGP Report 2022s-June 2023. Occupational injuries and illnesses are reported based on the Occupational Safety and Health Administration (OSHA) definition and described in IOGP Report Number 393 2023 – Health Performance Indicators. The main type of work-related injury categories are related to line of fire and slips, trips and falls. Investigations, based on the type, criticality and severity of the event, are performed by specifically identified personnel using methods such as TapRoot® and 5 Whys. SBM Offshore is ISM certified for offshore production fleet and operation offices, as well as being compliant with ISO 45001 as per certification and classification table (section 5.5).

Employees are provided with HSS training to familiarize themselves with SBM Offshore's health, safety, and security rules and regulations. The training topics are based on the hazards identified through the above identification process as well as safety studies and regulatory requirements. The promotion of a speak up culture – as described in section 2.1.1 – contributes to the identification process. Inclusion and non-retaliation are part of the Speak Up Policy.

5.2.2 ENVIRONMENTAL REPORTING

ATMOSPHERIC EMISSIONS

Emissions reported in SBM Offshore's records include:

- Scope 1 – Direct Emissions
- Scope 2 – Purchased Electricity
- Scope 3 – Business Travel
- Scope 3 – Purchased Goods and Services
- Scope 3 – Downstream Leased Assets

For all reported emissions, CO₂ equivalency is a quantity that describes, for a given mixture and amount of greenhouse gas, the amount of CO₂ that would have the same Global Warming Potential (GWP), when measured over a specified timescale (generally, 100 years).

Scope 1 – Direct 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 and the website [Co2emissiefactoren.nl](https://co2emissiefactoren.nl) and, for diesel-related factors, the Greenhouse Gas Conversion Factors by the UK Government.

Scope 2 – Purchased Electricity

Scope 2 comprises GHG emissions from energy purchased for offices (market-based and location-based).

The reporting scope includes all locations where the headcount is over 10 and yards over which SBM Offshore has full operational control. SBM Offshore reports onshore emissions data for the following locations: Amsterdam, Houston, Kuala Lumpur, Marly, Monaco, Rio de Janeiro, Schiedam, Shanghai, Carros lab, Georgetown, Bangalore, Porto, Singapore, Brazil Shorebases, Luanda Shorebase and Malabo Shorebase.

For the purchased electricity usage, SBM Offshore uses conversion factors to calculate CO₂ equivalents from energy consumed (kWh). Sources used for these conversion factors are, amongst others, the European Environmental Agency, the European Investment Bank and the Association of Issuing Bodies.

Scope 3 Emissions

Scope 3 categories reflect an analysis performed using the GHG protocol Technical Guidance for Calculating Scope 3