



2024 ANNUAL REPORT



TRUE.
BLUE.
TRANSITION.

1 BUSINESS ENVIRONMENT

1.1.3 PERFORMANCE SUMMARY

Over the years, SBM Offshore has matured the performance management, data control, target setting and reporting – most notably from 2014 – using Global Reporting Initiative (GRI) as the main framework, which integrates business and Environmental, Social and Governance (ESG) topics in one materiality assessment.

The last Materiality Assessment was conducted in 2023 and is renewed every four years. In the intervening years between, updates are conducted to maintain the understanding of the surrounding context, including relevant changes in economic, environmental and social impacts, when necessary.

REPORTING STRUCTURE

According to European Sustainability Reporting Standards (ESRS), the sustainability information shall disclose the material data, distinguishing between information required by the standard and other information included in the report.

The material topics are embedded and reflected in SBM Offshore’s strategy, processes and plans. In order to comply with ESRS requirements and to enable a more clear, comprehensive and meaningful narrative, in this Annual Report 2024 the 12 topics that resulted from the 2023 Double Materiality Assessment (DMA) are separated into two categories: business topics and ESG material topics.

Six topics which are purely business and strategic ones but not material as per ESRS, are: Market Position; Economic Impact; Energy Transition; Operational Excellence and Quality; Innovation and Digitalization. They are named Business Topics and are included in this chapter 1, along with an explanation of SBM Offshore’s business context.

The other six topics, deemed material as per ESRS, are named ESG Material Topics and reported in chapter 3.



SBM Offshore is confident that the new reporting structure appropriately fosters a clearer understanding of the business, management approach and performance. The Management Board and Supervisory Board members were consulted on the reporting new structure and provided their validation.

The Connectivity Table, that follows this section, aims to summarize the strategy, value creation and performance per ESG topic.

CONNECTIVITY TABLE ESG MATERIAL TOPICS

STRATEGY AND VALUE CREATION (Chapter 3)		PERFORMANCE REVIEW AND IMPACT (Chapter 3)	
Key Objectives	Management Approach	Key Performance Indicator	SDGs
Environmental			
Emissions			
Net zero by 2050 and intermediate targets for 2030 <ul style="list-style-type: none"> 1.57 MMSCF/D average operational excellence flaring; Validated Investment for Climate Neutral office Energy 	<ul style="list-style-type: none"> Operational excellence to reduce flare emissions in scope 3 Implementation of emissionZERO® Program Prioritize energy savings and increase the use of renewable energy at onshore facilities to reduce scope 1 and 2 emissions 	<ul style="list-style-type: none"> 1.33 MMSCF/D average flaring Scope 1, 2, 3 emissions: 7.2 million tonnes GHG intensity 16.4 kg CO₂ e/BOE 	7, 9, 13, 14
Decommissioning			
Safe and sustainable recycling: recovery of metals and re-use of machinery, and application of EU Ship Recycling Regulation (or equivalent) <ul style="list-style-type: none"> Decommissioning plan in place typically for units to be demobilized before 2028. 	<ul style="list-style-type: none"> SBM Offshore Recycling policy SBM Offshore decommissioning processes 	<ul style="list-style-type: none"> 8 decommissioning plans Demobilization provision accounted 	8, 13, 14
Social			
Our People			
Hire, retain and develop a diverse workforce with a wide range of competencies <ul style="list-style-type: none"> People Development Cycle 	<ul style="list-style-type: none"> HR learning and development process, systems and teams 	<ul style="list-style-type: none"> 1274 new hires 12% employee turnover rate 48 average training hours per employee 99% of performance appraisals completion (onshore) 0.97 gender pay gap 81% engagement score and 82% satisfaction score in pulse survey 	4, 8
Health, Safety and Security			
No Harm, No Defects, No Leaks <ul style="list-style-type: none"> FPI: 0 Manage oil-in-water discharge to 50% below IOGP average 	<ul style="list-style-type: none"> HSSE, Process Safety and Quality Management system, Target Excellence Program; adopting industry best practices and leading standards 	<ul style="list-style-type: none"> TRIFR: 0.1 FPI: 0 Tier 1: 3 Tier 2: 8 Maintained ISO certifications 0 oil spills Oil-in-water discharge to 61% below IOGP average 	3, 8
Human Rights			
Fully embed human rights and social performance within SBM Offshore to achieve no harm <ul style="list-style-type: none"> Suppliers and yards due diligences 	<ul style="list-style-type: none"> Execution and improvement of due diligence cycle and taking action through human rights program governance 	<ul style="list-style-type: none"> 100% of new suppliers were screened on human rights 100% of new suppliers qualified had been signed supply chain charter 6 yards have completed desktop screening 10 ESG audits against the IFC Performance Standards 1 new worker welfare assessment 	8
Governance			
Ethics and Compliance			
Zero tolerance for bribery, corruption, fraud or any other form of misconduct <ul style="list-style-type: none"> Continuously applying a risk-based approach, including regular engagements, due diligence and other monitoring procedures 	<ul style="list-style-type: none"> Internal Risk and Control System and Compliance Program, with focus on data-driven compliance 	<ul style="list-style-type: none"> 4,444 compliance training hours completed 125 reports received under SBM Offshore's Speak Up Policy 0 confirmed cases of corruption 	8