

2022 ANNUAL REPORT



TRUE.
BLUE.
TRANSITION.

5 NON-FINANCIAL INFORMATION

- GHG emissions per hydrocarbon production from flaring and energy generation.
- Non-Greenhouse Gases which are CO (Carbon Monoxide), NO_x (Nitrogen Oxides), SO₂ (Sulphur Dioxide) and VOCs (Volatile Organic Compounds).
- Gas flared per hydrocarbon production.
- Energy consumption per hydrocarbon production.
- Oil in Produced Water per hydrocarbon production.

The calculation of air emissions from offshore operations units uses the method as described in the EEMS-Atmospheric Emissions Calculations (Issue 1.810a) recommended by Oil & Gas UK. SBM Offshore reports some of its indicators as a weighted average, calculated pro rata over the volume of hydrocarbon production per region. This is in line with the IOGP Environmental Performance Indicators. The GHG-intensity figures in sections 2.1.7. and 5.3.2. use hydrocarbon production as a denominator, being the standard metric used in the industry.

OFFSHORE ENERGY CONSUMPTION

The energy used to produce oil and gas covers a range of activities, including:

- Driving pumps producing the hydrocarbons or reinjecting produced water.
- Heating produced oil for separation.
- Producing steam.
- Powering compressors to reinject produced gas.
- Driving turbines to generate electricity needed for operational activities.

The main source of energy consumption of offshore units is fuel gas and marine gas oil: the calculation of their volumes in Gigajoules being a function of calorific values and conversion factors from Oil and Gas UK. The energy intensity figures in section 5.3.2. use hydrocarbon production as a denominator, being the standard metric used in the industry.

OIL IN PRODUCED WATER DISCHARGES

Produced water is a high volume liquid discharge generated during the production of oil and gas. After extraction, produced water is separated and treated (de-oiled) before discharge to surface water. The quality of produced water is most widely expressed in terms of its oil content. Limits are imposed on the concentration of oil in the effluent discharge stream or discharge is limited where reinjection back into the reservoir is permitted.

The overall efficiency of the oil in water treatment and, as applicable, reinjection can be expressed as tonnes of oil discharged per million tonnes of hydrocarbon produced.

Incidental environmental releases to air, water or land from the offshore operations units are reported using the data

recorded in the SBM Offshore Incident Management tool. SBM Offshore has embedded a methodology for calculating the estimated discharge and subsequent classification within the Incident Management tool.

CHANGES IN REPORTING

As part of continuous improvement, SBM offshore regularly reviews and updates as required its environmental emissions calculations methodology. In 2022, the following updates were made which are contributing to increased accuracy in emissions monitoring:

- Gas density updates for each vessel's gas stream, where available.
- Fuel Gas Calorific Value update (required for energy consumption calculation in GJ).
- Global Warming Potential updates (GWP) to align with IPCC's Sixth Assessment Report (2022).

5.2.3 PROCESS SAFETY REPORTING

A Loss of Primary Containment (LOPC) is defined as an unplanned or uncontrolled release of any material from primary containment, including non-toxic and non-flammable materials (e.g. steam, hot condensate, nitrogen, compressed CO₂ or compressed air).

A Tier 1 or Tier 2 PSE is defined as an LOPC from a process system that meets criteria defined in API RP 754.

LOPC events are reported in SBM Offshore's Reporting System as highlighted in sections 2.1.2 and 5.3. This system includes a built-in calculation tool to assist the user in determining the release quantity of LOPC events. All LOPCs are analysed to identify those considered to be PSEs as per API RP 754. Process Safety KPIs used by SBM Offshore include the number of Tier 1 and the number of Tier 2 PSEs.

SBM Offshore encourages employees and contractors to report the PSE Tier 3 (minor LOPC, precursors, etc.), using them as a basis for leading initiatives aiming at minimizing the probability of major events occurring.

5.2.4 HUMAN RESOURCES REPORTING

SBM Offshore's Human Resources (HR) data covers the global workforce and is broken down by region (continents) and employment type. The performance indicators report on the workforce status at year-end December 31, 2022. They include all staff assigned on unlimited or fixed-term contracts, employee new hires and departures, the total number of locally-employed staff from agencies and all crew working on board the offshore operations units and shore bases.