

# 2017

## ANNUAL REPORT



**EXPERIENCE MATTERS**

Alignment of the management system with the new ISO14001:2015 standard.

- Reduction of plastic and food waste on units by developing local initiatives and engaging in discussions with catering companies
- Strengthening of Chemical Management & Hazardous Substance (COSHH) Assessments with a new tool
- Continuation of the challenge 'Take Care of your Flare' on all Marine Units with the objective to reduce volume of gas flared under the control of the units.

### 2.5.1 CO<sub>2</sub> CHALLENGE SEASON 2 'TAKE CARE OF YOUR FLARE'

The CO<sub>2</sub> Challenge is an in-house competition designed to address the issue of climate change with a bottom-up approach, while leveraging expertise to create a competitive edge. Starting in 2015, SBM Offshore tested the creative talents of its engineers by asking them to propose innovative solutions to reduce CO<sub>2</sub> emissions offshore, 'Season 1'.

In 2017 'Season 2', 'Take care of your flare' was launched with an exclusive focus on reducing flaring on the offshore units. The Company challenged its crews to set flare reduction targets and compete against each other for best performance.

Three winners were awarded: one for best performance against the target, one for best performance in total tonnes of CO<sub>2</sub> reduction and one for best performance against hydrocarbons produced.

#### CO<sub>2</sub> Challenge 'Season 2' Findings

Flaring levels are directly linked to uptime performance of the gas processing facilities on the units. Better operational control on all systems reduces flaring and improves uptime. Flaring is only partially under SBM Offshore's operational control and in order to continue reduction in overall flaring, cooperation with the Company's clients is essential to optimize.

#### CO<sub>2</sub> Challenge 'Season 3'

Going forward, starting in 2018 'Season 3' will focus on reducing energy consumption and reducing oil in water, as well as the continuation of the flaring reduction targets.

#### CO<sub>2</sub> Reduction Onshore

Following the success of the CO<sub>2</sub> Challenge, an onshore version was created, the CO<sub>2</sub> Office Challenge. All offices contributed positive results and continue to

reduce energy consumption and waste generation per employee.

## 2.6 OPERATIONAL EXCELLENCE

### MANAGEMENT APPROACH

Group Execution Functions are organized to support operational and assurance functions with the goal of achieving operational excellence in all areas of the Company's business.

SBM Offshore's Group Operational Excellence department is dedicated to the maintenance and continuous improvement of the Company's Global Enterprise Management System (GEMS) and the implementation and monitoring of key improvement initiatives notably to:

- Adopt best practice through the application of the ISRS (see section 2.6.2) and Process Safety Management frameworks
- Strengthen the Company's incident reporting and investigation methodologies and tools to expand the scope beyond the remits of Health & Safety and Asset Integrity activities
- Enhance existing Management of Change processes and provide more efficient functionality through the provision of a globally accessible database
- Deploy a revised lessons learned process and application to ensure that lessons are embedded in our ways of working

For more information on Operational Governance, please refer to 3.10.1.

### 2017 PERFORMANCE

While good progress has been made, due to a number of challenges and the prioritization of topics, the Company has been unable to achieve all of its targets, particularly with respect to tool development and deployment. Our ambition remains to complete the remaining agreed scope within 2018.

#### Key achievements

- Continued development of GEMS Role Assignment and Workflow tools to enhance user acceptance and improvement of efficiencies
- Publication of a supporting process for the 'Operational Excellence Governance Model' to address business ownership, change control and investment decision making structures for GEMS processes, data-sets, information and applications