



# ESG and TechnipFMC

5<sup>th</sup> Annual J.P. Morgan Energy Technology Tour

Doug Pferdehirt, Chairman and CEO  
November 9, 2020



# Disclaimer

## Forward-looking statements

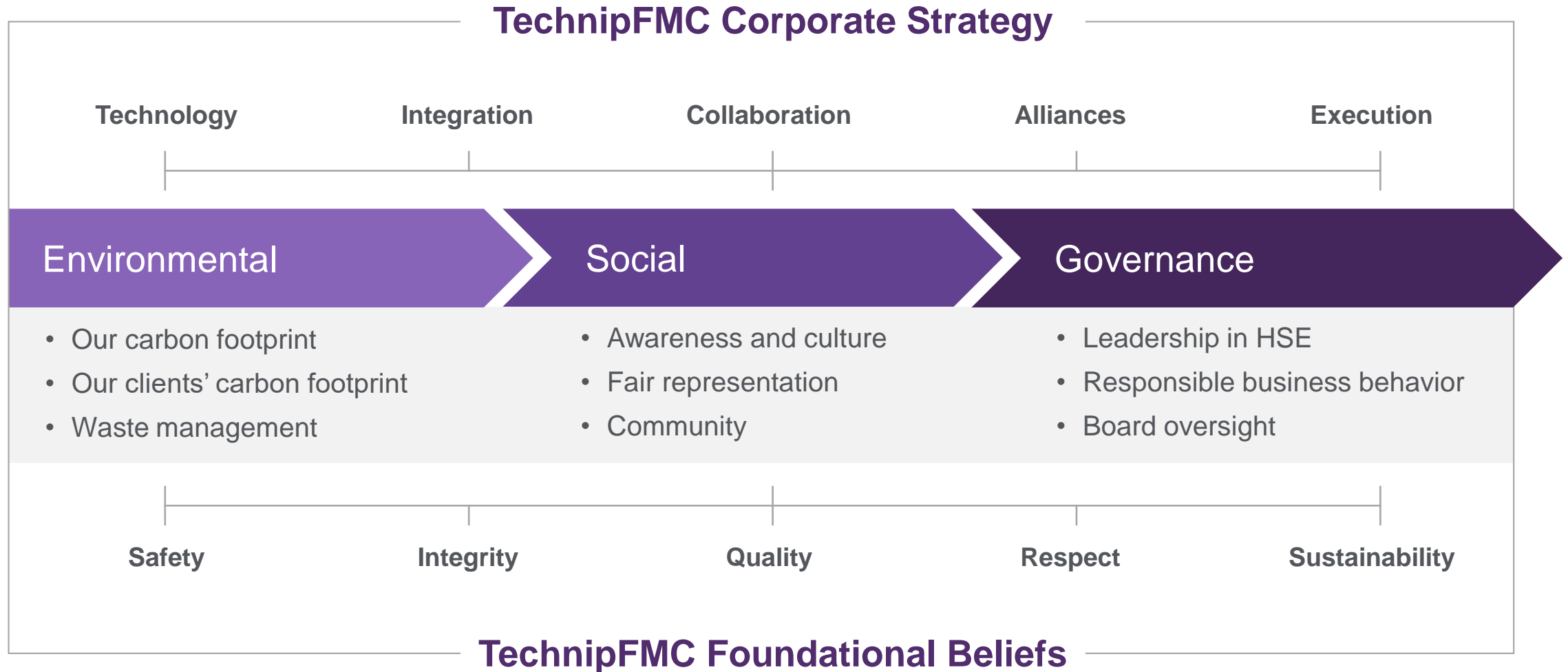
This communication contains “forward-looking statements” as defined in Section 27A of the United States Securities Act of 1933, as amended, and Section 21E of the United States Securities Exchange Act of 1934, as amended. Words such as “guidance,” “confident,” “believe,” “expect,” “anticipate,” “plan,” “intend,” “foresee,” “should,” “would,” “could,” “may,” “will,” “likely,” “predicated,” “estimate,” “outlook” and similar expressions are intended to identify forward-looking statements, which are generally not historical in nature.

Such forward-looking statements involve significant risks, uncertainties and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections, including the following known material factors: risks associated with disease outbreaks and other public health issues, including the coronavirus disease 2019 (“COVID-19”), their impact on the global economy and the business of our company, customers, suppliers and other partners, changes in, and the administration of, treaties, laws, and regulations, including in response to such issues and the potential for such issues to exacerbate other risks we face, including those related to the factors listed or referenced below; risks associated with our ability to consummate our proposed separation and spin-off; unanticipated changes relating to competitive factors in our industry; demand for our products and services, which is affected by changes in the price of, and demand for, crude oil and natural gas in domestic and international markets; our ability to develop and implement new technologies and services, as well as our ability to protect and maintain critical intellectual property assets; potential liabilities arising out of the installation or use of our products; cost overruns related to our fixed price contracts or capital asset construction projects that may affect revenues; our ability to timely deliver our backlog and its effect on our future sales, profitability, and our relationships with our customers; our reliance on subcontractors, suppliers and joint venture partners in the performance of our contracts; our ability to hire and retain key personnel; piracy risks for our maritime employees and assets; the potential impacts of seasonal and weather conditions; the cumulative loss of major contracts or alliances; U.S. and international laws and regulations, including existing or future environmental regulations, that may increase our costs, limit the demand for our products and services or restrict our operations; disruptions in the political, regulatory, economic and social conditions of the countries in which we conduct business; risks associated with The Depository Trust Company and Euroclear for clearance services for shares traded on the NYSE and Euronext Paris, respectively; the United Kingdom’s withdrawal from the European Union; risks associated with being an English public limited company, including the need for “distributable profits”, shareholder approval of certain capital structure decisions, and the risk that we may not be able to pay dividends or repurchase shares in accordance with our announced capital allocation plan; compliance with covenants under our debt instruments and conditions in the credit markets; downgrade in the ratings of our debt could restrict our ability to access the debt capital markets; the outcome of uninsured claims and litigation against us; the risks of currency exchange rate fluctuations associated with our international operations; risks related to our acquisition and divestiture activities; failure of our information technology infrastructure or any significant breach of security, including related to cyber attacks, and actual or perceived failure to comply with data security and privacy obligations; risks associated with tax liabilities, changes in U.S. federal or international tax laws or interpretations to which they are subject; and such other risk factors as set forth in our filings with the U.S. Securities and Exchange Commission and in our filings with the Autorité des marchés financiers or the U.K. Financial Conduct Authority.

We caution you not to place undue reliance on any forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any of our forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise, except to the extent required by law.

# ESG and TechnipFMC

Our corporate strategy and foundational beliefs drive our approach to ESG practices



# 2018-2020 accomplishments

## Environmental

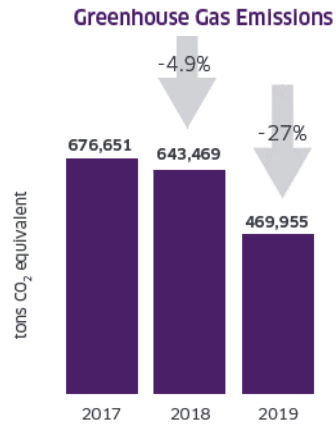
**Goal: Reduce our own carbon footprint**

27%

Reduction in scope 1 and 2 greenhouse gas emissions in 2019 (versus 4.9% in 2018)

76%

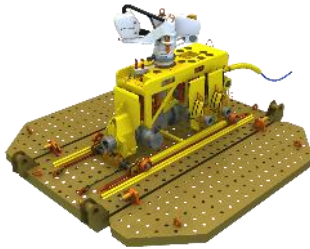
of locations implemented single-use plastic elimination projects in 2019 (versus 28% in 2018)



**Goal: Reduce our clients' carbon footprint**

### Subsea 2.0™

Subsea 2.0™ product platform enables a 50% reduction in size, weight and part count compared to previous design of equipment.



### Carbon Assessment Tool

Introduced to assess key contributors to carbon footprint and identify opportunities to minimize the carbon impact of building and operating a development.

## Social

**Goal: Promote gender diversity and equality**

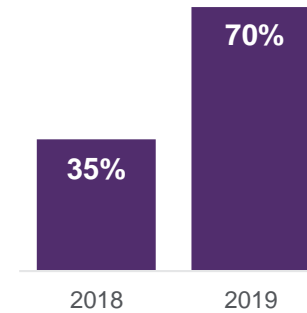
100%

of jobs reviewed to ensure pay equity; completed 2019

22%

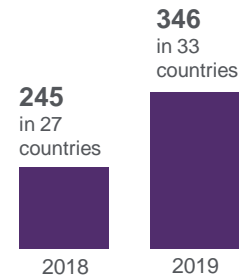
of senior managers in 2019 were women (versus 15% in 2018)

Percent of succession plans including women



**Goal: Make our communities better**

Increasing number of community initiatives



12,650

employees volunteered in 2019 (vs. 2,600 in 2018)

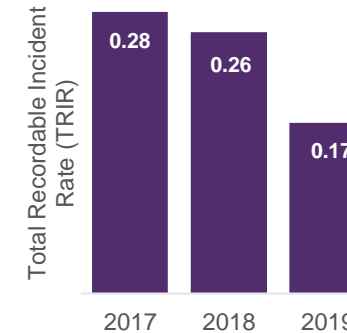
58

STEM initiatives around the world (vs. 14 in 2018)

## Governance

**Goal: Drive HSE to ensure a safe workplace**

Total Recordable Incident Rate (TRIR)



39%

Reduction in total recordable incident rate (2019 versus 2017)

**Goal: Pay for Performance alignment<sup>1</sup>**



<sup>1</sup>Source: Proxy Statement filed on March 13, 2020; two-year TSR performance for 2017-2018

# Our environmental focus on carbon reduction

**50** by  
**30**

**Targeting 50% reduction in  
Scope 1 and 2 emissions by 2030<sup>1</sup>**



**1**  
Wind



**2**  
Hydro



**3**  
Hybrid / Biofuels

**Utilization of renewable resources for internal energy consumption**

<sup>1</sup>Versus 2017 baseline



# Our commitments 2021-2023

## Environmental

%

### Our carbon footprint

- ▶ Targeting 50% reduction of CO<sub>2</sub> by 2030 (Scope 1 and 2)
- ▶ Establish Scope 3 reduction targets

### Our clients' carbon footprint

- ▶ 33% of **order intake** linked to **lower carbon intensity offerings**
- ▶ Establish **target reduction in carbon intensity** for our clients' offerings – establish baseline in 2020

### Waste management

- ▶ 10% of **waste** from our assets and projects is **recycled and reused**
- ▶ 10% reduction of water consumption

## Social

%

### Awareness and culture

- ▶ 100% of all senior managers trained in **inclusive leadership learning**
- ▶ **Inclusion & Diversity** lens applied to employee benefits and policies

### Fair representation

- ▶ 45% of graduates hired are **women**
- ▶ 20% improvement in under-represented **populations** in senior management

### Community

- ▶ Increase the number of global **STEM initiatives** by 20%
- ▶ Increase the number of employees engaged globally in **volunteering** by 20%

## Governance

%

### Leadership in HSE

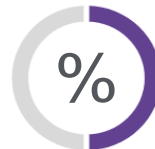
- ▶ Continued implementation of **SIF prevention** projects, with goal of reaching 400 projects
- ▶ Industry advocate for IOGP Lifesaving Rules

### Responsible business behavior

- ▶ Implement third-party risk management program, with focus on **human rights** due diligence and audits, on 100% of high-risk suppliers
- ▶ Yearly **ethics and compliance training** for all managerial levels

### Board oversight

- ▶ Define **remuneration** of leadership and senior managers to include linkage to **net carbon footprint**
- ▶ **Governance model** established and reviewed with **Board ESG committee**



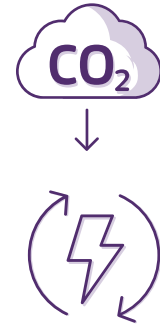
- ▶ Cumulative progress as % of 2023 commitment
- ▶ Updates provided at each Annual General Meeting

# Well positioned to capitalize on the Energy Transition

## Our role and unique capabilities...

- ▶ Engineering
- ▶ Technology / Innovation
- ▶ Project Execution
- ▶ Integrator
- ▶ Infrastructure / Partnerships

## ...enable our approach...



- ▶ Lower carbon solutions
- ▶ Decarbonization initiatives
- ▶ Carbon-free energy opportunities

## ...to deliver real results today and tomorrow.

### Carbon-advantaged solutions

- ▶ iProduction™
- ▶ Subsea 2.0™ / iEPCI™
- ▶ Subsea Studio
- ▶ Subsea robotics
- ▶ Blue hydrogen / CCUS
- ▶ Sustainable chemistry
- ▶ LNG
- ▶ Energy efficiency

### Lower carbon, carbon-free opportunities

- ▶ Green hydrogen solutions
- ▶ Offshore floating wind
- ▶ Tidal / wave energy
- ▶ All-electric subsea field, renewables powered

**TechnipFMC is an ideal partner to transition with our clients**

# Roadmap to cleaner energy

## iProduction™

Carbon-reduction technologies for surface markets

## Biofuels

Biofuel plants and advanced production technologies

## Hydrogen

Proven capabilities and technologies for blue hydrogen  
Investing and partnering for the transition to green hydrogen

## All-Electric Subsea

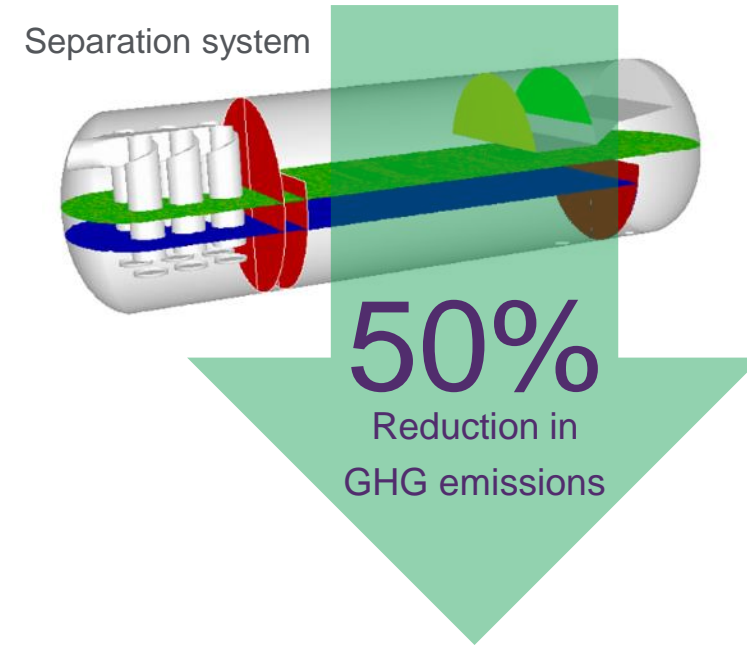
Reduced infrastructure for lower carbon development



# iProduction™

## Replicating the Subsea playbook to transform onshore production

- **Proprietary technology** and **integrated ecosystem** streamlines operations; **reduces** footprint, GHG emissions, capital costs, time to first oil
- Integrated offering operates under a single **digital interface**, including our digital twin technology; each site is **monitored** and **controlled remotely**
- TechnipFMC is the only provider to **fully integrate the delivery process** with people, products and services
- Reflects ongoing **strategic shift** from **discrete product sales to fully integrated services** for the global onshore production market



Global opportunity set may exceed \$7 billion through 2030<sup>1</sup>

>50%

Reduction in  
GHG emissions

>30%

Acceleration in  
time to first oil

>25%

Reduction in operator  
capital expenditures

<sup>1</sup>Source: Rystad Energy; McKinsey & Company Energy Insights; TechnipFMC internal analysis

# Biofuels

The technology, know-how and experience to deliver biofuels projects

- **Renewable alternative** to fossil fuels; an advanced solution to meet stringent, medium-term climate targets
- TechnipFMC delivers a wide range of biofuel plants **utilizing advanced proprietary and partnership-based technologies**
- **Partner of choice** for Neste's NEXBTL projects
- **Opportunities** in expansions / revamps, refinery conversions and stand-alone projects



Global opportunity set may exceed \$3 billion through 2030<sup>1</sup>

Up to  
**90%**

Reduction in GHG  
emissions<sup>2</sup>

**3**

Reference areas include  
biodiesel<sup>3</sup>, biojetfuel, bioethanol

**2**

World scale NEXBTL biofuel  
refineries delivered

<sup>1</sup>Source: Neste projections for renewable diesel demand to exceed 20Mton by 2030 (Neste Capital Markets Day, March 2020); TechnipFMC internal analysis

<sup>2</sup>Neste's public information regarding NEXBTL renewable diesel; comparison with conventional fossil fuel

<sup>3</sup>Biodiesel references include traditional biodiesel and renewable diesel

# Hydrogen

## Ready for the hydrogen wave

- **Proprietary** technologies and **proven** capabilities to engineer and deliver hydrogen plants
- **Blue hydrogen** is a cost-effective method to produce hydrogen while removing CO<sub>2</sub>; **leader in CCUS** enables robust blue hydrogen offering
- Positioning to be a **leading technology** and **EPC supplier** in green hydrogen; **strategic** partnership with **McPhy** to develop large-scale solutions
- **Complete portfolio of services** include feasibility studies, EPC projects and measurement; both **greenfield** and **retro-fit** opportunities



Structural growth with spend that may exceed \$50 billion through 2030<sup>1</sup>

270+

Plants using proprietary steam reforming technology

35%<sup>2</sup>

Market share leader in grey hydrogen

50+

References for hydrogen plants with CO<sub>2</sub> capture

<sup>1</sup>Source: IEA World Energy Outlook 2020 projected capacity additions of 18Mtpa by 2030; TechnipFMC internal analysis

<sup>2</sup>Market leader position based on installed base of hydrogen plants



# All-electric subsea production systems

## Reducing infrastructure to create low carbon opportunities

- **Infrastructure and installation time reduced** with removal of hydraulic lines, simplified umbilicals and lighter assets
- Enables **full field electrification** of subsea production system, allowing for use of **renewable power alternatives**
- Ideal solution for **long offsets from host facility, Subsea-to-Beach** and **unmanned fields**
- Allows for more robust **digital capabilities** while significantly increasing access to field-specific data



Our vision of Subsea

Incremental tie-back opportunity may exceed \$8 billion through 2030<sup>1</sup>

10%

Reduction in capital expenditures

4X+

Increase in subsea tie-back reach

100%

Fields unmanned through robotics, digital technologies

<sup>1</sup>Source: Rystad Energy; McKinsey & Company Energy Insights: Global Energy Perspective, January 2020; TechnipFMC internal analysis

# Well positioned for the Energy Transition

Significant addressable market opportunities for TechnipFMC through 2030<sup>1</sup>



Integrating subsea technology to transform onshore production

The technology, know-how and experience to deliver biofuels projects

Structural growth opportunity – ready for the hydrogen wave

Reducing infrastructure to create lower carbon opportunities

Global opportunity may exceed **\$7 billion**

Biodiesel opportunity may exceed **\$3 billion**

Blue and green hydrogen opportunity may exceed **\$50 billion**

Incremental tie-back opportunity may exceed **\$8 billion**

<sup>1</sup>Addressable market represents the opportunity that is available to the industry





# Offshore is the next frontier in the Energy Transition

## TechnipFMC's subsea expertise and ecosystem position us well for the next frontier

- Offshore and subsea will provide significant opportunities in the Energy Transition
- Offshore technologies will require further innovation and greater collaboration to meet decarbonization goals
- Our core competencies and integration capabilities can transform new technologies into commercially viable alternatives

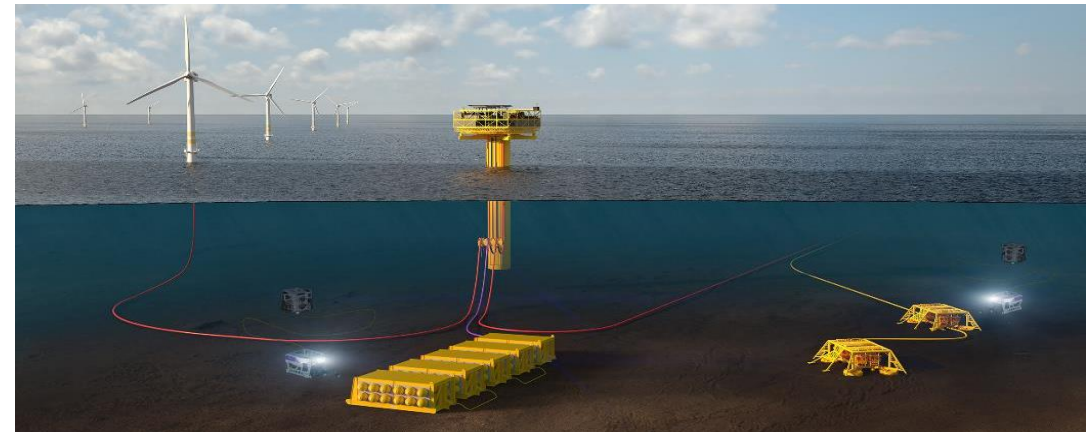
### Core competencies throughout the water column

Automation and Control

EPCI Execution

Digital and Robotics

Subsea Infrastructure



# Deep Purple™ – Redefining subsea energy

Novel wind

Wave energy

## Integrating renewables and hydrogen storage to deliver new energy resources

- Collaboration with clients and partners to make renewables more commercially viable offshore
- Utilize hydrogen fuel cells to store excess power generated from wind and wave resources
- Well positioned in Subsea segment to leverage infrastructure and serve as system integrator

Hydrogen storage



# Our commitment – Driving change in ‘S’



## Workforce of the future

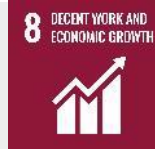
- ▶ Thousands of girls in India are learning about science, technology, engineering and mathematics (STEM) with the help of TechnipFMC
- ▶ A series of initiatives have helped 14,000 girls from lower-income families as we look to advance gender diversity
- ▶ Our flagship India corporate social responsibility (CSR) team won the country's prestigious National CSR Award in October 2019



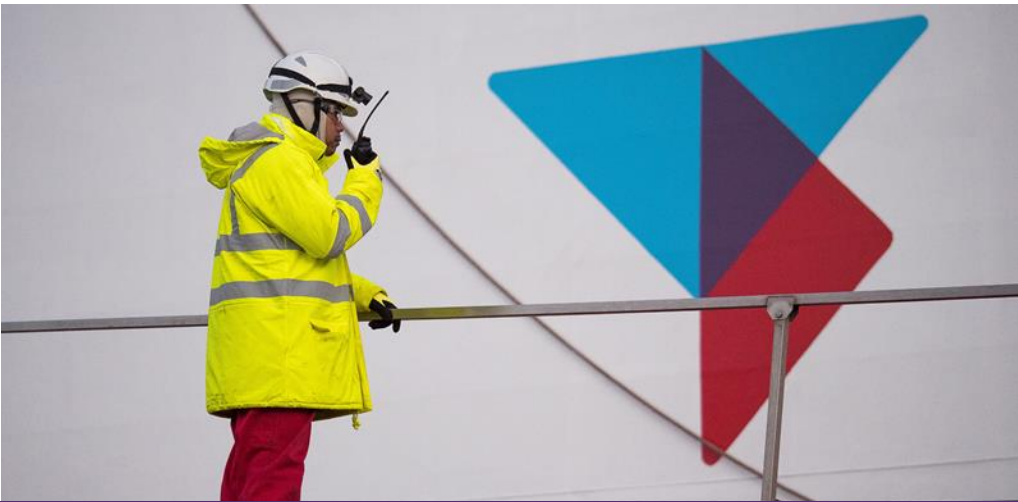
## iVolunteer – supporting communities

- ▶ TechnipFMC teamed up with a local NGO to continue its fight against plastic waste with a beach cleanup in Malaysia
- ▶ The cleanup consisted of 300 employees and families coming together to remove micro-waste totaling 217 kilograms
- ▶ Region implemented 'Say No to Single Use Plastic' campaign putting a ban to single-use plastic at our offices and facilities

UN Sustainable  
Development  
Goals N°1



# Our commitment – Driving change in ‘G’



## Strong safety culture

- ▶ Our response to an outbreak of COVID-19 aboard a vessel earned our company great recognition from our client Royal Dutch Shell
- ▶ Our protocols include systematic testing and/or quarantine pre-boarding, allowing for a consistently safe working environment
- ▶ Our approach has been recognized by customers as unique amongst our peers, with actions to replicate and adopt going forward



## ‘Raise the bar’ on worker welfare

- ▶ TechnipFMC serves on the Board of *Building Responsibly*, a group of leading E&C companies working to promote workers’ rights and welfare
- ▶ Launched in February 2017, *Building Responsibly* member companies now represent over 1,000,000 direct employees across the globe
- ▶ We are advancing efforts to address human rights risks by incorporating our requirements at the project level and throughout the supply chain

UN Sustainable  
Development  
Goals

3

GOOD HEALTH  
AND WELL-BEING



8

DECENT WORK AND  
ECONOMIC GROWTH



10

REDUCED  
INEQUALITIES



12

RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



16

PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS



# Driving sustainable change, delivering real opportunity



Meeting our commitments

Positive impact on our Company,  
industry and communities

Driving sustainable change

50% reduction in CO<sub>2</sub>  
equivalent emissions by 2030

Delivering real opportunity

Play a material role in the  
energy transition today



# Glossary

<b>Term</b>	<b>Definition</b>	<b>Term</b>	<b>Definition</b>
<b>Bcm</b>	Billion Cubic Meters per Annum	<b>iLOF™</b>	Integrated Life of Field
<b>CCUS</b>	Carbon Capture, Utilization and Storage	<b>IOGP</b>	International Association of Oil & Gas Producers
<b>E&amp;C</b>	Engineering and Construction	<b>LNG</b>	Liquefied Natural Gas
<b>ESG</b>	Environmental, Social and Corporate Governance	<b>MMb/d</b>	Million Barrels per Day
<b>FLNG</b>	Floating LNG	<b>Mtpa</b>	Million Metric Tonnes per Annum
<b>GHG</b>	Greenhouse Gas	<b>NAM</b>	North America
<b>HSE</b>	Health, Safety and Environment	<b>NGO</b>	Non-Governmental Organization
<b>iEPCI™</b>	Integrated Engineering, Procurement, Construction and Installation	<b>ROV</b>	Remotely Operated Vehicles
<b>iFEED™</b>	Integrated Front End Engineering and Design	<b>SIF</b>	Serious injuries and fatalities
		<b>STEM</b>	Science, Technology, Engineering and Mathematics



TechnipFMC