

2025 ANNUAL REPORT

SBM OFFSHORE

TRUE.
BLUE.
TRANSITION.

1.4 IMPACTS, RISKS AND OPPORTUNITIES

SBM Offshore seeks business opportunities, whilst managing risks and potential adverse impacts. Section 1.4.1 describes the risk appetite and section 1.4.2 provides the details on business activities and associated opportunities. The climate change impact, risk and opportunity is located in section 3.2.1.

1.4.1 RISK APPETITE

The Risk Appetite Statement 2025 sets the guidance and boundaries for the activities conducted by SBM Offshore in pursuit of its strategic objectives, aligned with both business topics and material topics. It provides guidelines in terms of the amount of risk that SBM Offshore is willing to accept in protection or pursuit of value.
Risk appetite is defined, established and maintained through a structured process that involves business units, assurance bodies and the Management Board. This process ensures alignment between SBM Offshore's strategy, the assessment of operational risks and opportunities, and the evolving business environment. Each risk appetite statement is defined with explicit executive accountability, supported by underlying metrics, and is measured and monitored on a quarterly basis with results presented to the Audit Committee.

In line with the Dutch Corporate Governance Code, the Management Board reviews the Risk Appetite Statement annually to ensure that SBM Offshore maintains the right balance between risk and opportunity while creating value for its stakeholders. Continuous monitoring ensures that changes in risk appetite are communicated and managed by the Management Board with oversight by Audit Committee and Supervisory Board.

The significant parts of SBM Offshore's Risk Appetite Statement and their mapping are displayed below.

Business and ESG Topics	Guidance	Activities guided by Risk Appetite, i.e. activities …
Energy Transition	Limited appetite	exposing SBM Offshore to unproven commercial models.
Operational Excellence	Limited appetite	extending the life of a unit beyond its design life if it does not align with SBM Offshore's Life Cycle gates, sustainability and strategic ambitions with regard to customers and JV partners.
	No appetite	compromising barriers to Major Accident Events.
	Limited appetite	with suppliers that do not align with SBM Offshore's strategic commercial and execution performance and standards.
	No appetite	to deviating from SBM Offshore execution resource capabilities standards.
Economic Impact	No appetite	resulting in balance sheet or liquidity risk as a result of commercial opportunities for which the bankability cannot be reasonably confirmed.
	Limited appetite	severely impacting profitability of SBM Offshore.
Digitalization	No appetite	exposing SBM Offshore to cybersecurity risks.
Innovation	Limited appetite	exposing SBM Offshore to damage due to application of unproven technologies.
Ethics and Compliance	Zero tolerance	activities that are non-compliant with the Code of Conduct and related laws and regulations.
	No appetite	in sanctioned jurisdictions and/or with sanctioned persons/entities or companies whose decision-makers do not share the same compliance principles.
Health, Safety, Security	No appetite	causing harm to people, damage to assets or the environment.
Human rights	No appetite	activities that are non-compliant with SBM Offshore's human rights standards.
Our people	No appetite	activities contrary to ID&E policy and/or impacting the health of SBM Offshore's employees.
Emissions	No appetite	deviating from SBM Offshore's ambition to reduce emissions.
Decommissioning	No appetite	deviating from SBM Offshore's Responsible Recycling Policy.

Explanation of Guidance		
Activities whereby SBM Offshore has zero tolerance	Activities with risks for which SBM Offshore has no appetite	Activities with risks for which SBM Offshore has limited appetite
Refusal to purposely conduct any activity breaching this risk appetite	Risks within activities to be avoided with appropriate actions	Risks within activities to be mitigated and monitored