



2023 ANNUAL REPORT

EBM
OFFSHORE



1.4 IMPACT, RISK AND OPPORTUNITY MANAGEMENT

SBM Offshore seeks business opportunities, whilst managing risks and adverse impacts. Sections 1.2 and 2.1 describe the impacts and section 1.3 provides detail on business activities and associated opportunities. This chapter describes the risk appetite and approach of SBM Offshore to understand and act on potential adverse impacts.

1.4.1 RISK APPETITE

The Risk Appetite Statement 2023 sets the guidance and boundaries for the activities conducted by SBM Offshore in

pursuit of its strategic objectives, aligned with its 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. In line with the Dutch Corporate Governance Code, the Management Board reviews the Risk Appetite Statement annually to ensure that SBM Offshore maintains the balance between risk and opportunity while creating value for its stakeholders. Each Risk Appetite Statement has underlying metrics which are measured on a quarterly basis and results are presented to the Audit Committee.

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

| Material Topic | Guidance | Activities guided by Risk Appetite, i.e. activities ... |
|--------------------------------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ethics and Compliance | Zero tolerance | non-compliant with the Code of Conduct and related laws and regulations |
| | Zero tolerance | in sanctioned jurisdictions and/or with sanctioned persons/entities or companies whose decision-makers do not share the same compliance principles |
| Employee Health, Safety and Security | No appetite | causing harm to people, damage to assets or the environment |
| Human Rights | No appetite | non-compliant with SBM Offshore's human rights standards |
| Operational Excellence and Quality | No 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 |
| | Limited appetite | with suppliers that do not align with SBM Offshore's strategic commercial and execution performance and standards |
| Employee Wellbeing | Limited appetite | impacting the retention, development and health of SBM Offshore's employees |
| 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 |
| Emissions | No appetite | deviating from SBM Offshore's 2030 Intensity Targets on its path to achieve Net Zero by 2050 |
| Digitalization | No appetite | exposing SBM Offshore to cybersecurity risks |
| Innovation | Limited appetite | exposing SBM Offshore to damage due to application of unproven technologies |
| Energy Transition | Limited appetite | exposing SBM Offshore to unproven commercial models |
| Market Positioning | No appetite | resulting in M&A activities with high process safety risks and/or higher emissions |
| Decommissioning | No appetite | deviating from SBM Offshore's Responsible Recycling Policy |

| Explanation of Guidance | | |
|------------------------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------|
| Activities for which there is zero tolerance | Activities with risks for which SBM Offshore has no appetite | Activities with risks with a 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 |