



# 2025 ANNUAL REPORT



TRUE.  
BLUE.  
TRANSITION.

# 1 BUSINESS ENVIRONMENT

## 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.
	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.
Operational Excellence	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.
	Zero tolerance	activities that are non-compliant with the Code of Conduct and related laws and regulations.
Ethics and Compliance	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

## 1.4.2 SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES TO THE BUSINESS

As SBM Offshore delivers on its opportunities and manages its risk appetite, it faces business risks with potential financial consequences, described in the table below. These risks are linked with SBM Offshore’s business and material topics, as per its risk breakdown structure and the risk appetite mentioned above. The outcomes of risk management processes and tooling are used in the double materiality assessment explained in section 3.1.4.

For further details on the approach to impacts, risks and opportunities, please refer to sections 2.5 and 2.5.1.

Key opportunities for the business are related to the energy transition and flow from the reduction of emissions, the growth of alternative energies, innovation and

decommissioning of aging assets. These opportunities are incorporated in SBM Offshore’s strategy and explained under sections 1.5.1.2 and 1.5.2. The financial performance resulting from this strategy is detailed in chapter 4.

The key processes to manage impacts, risks and opportunities are:

- Risk Management and Internal Control System (see section 2.5).
- HSSE risk management.
- Human Rights Due Diligence, as part of supplier and yard qualifications.
- Environmental and Social Due Diligence, as part of project financing.
- Alignment with clients’ Environmental Impact Assessments.
- Client Relationship and Opportunity Management Process.

### SIGNIFICANT RISKS TO THE BUSINESS Assessed and mapped based on risk management processes and reports RISK OVERVIEW 2025

STRATEGIC		COMPLIANCE	
Geopolitical Events	↑	Third Parties	↑
Portfolio	==	Changes in law and regulations	↑
Macroeconomics	==	Governance, transparency and integrity	==
OPERATIONAL		REPORTING	
Climate Change	↑	Financial reporting	==
Technology and Innovation	==	CSRD Reporting	==
Competitiveness	==		
Process safety events	==		
Project performance	==		
Digital transformation	==		
Cybersecurity and data protection	↑		
Human Capital	==		
Supply chain constraints	↑		
Decommissioning	==		
Financial and liquidity	↓		

**RISK EXPOSURE \***

RISK IS INCREASING      RISK IS DIMINISHING      RISK IS STABLE

\* Management assessment of how the inherent risk exposure (i.e. excluding SBM Offshore’s mitigating measures) is expected to develop in the coming 3 years.

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RISK	DEFINITION	POTENTIAL IMPACT	MANAGEMENT OF IMPACT
<b>Strategic Risks</b>			
Geopolitical events	Direct or indirect impact of geopolitical events on activities of SBM Offshore globally.	Events impacting the successful completion of SBM Offshore's projects and/or impacting the safe, affordable and sustainable operations of SBM Offshore's fleet.	SBM Offshore actively monitors worldwide situations and acts to avoid or reduce potential negative consequences. This includes pursuing diversification strategies, monitoring sanctions and incorporating suitable contract clauses for risk mitigation.
Portfolio	Concentration of fossil-fuel-related business activities in Brazil and Guyana.	Impact from changes in local legislative and business environment, affecting business results.	SBM Offshore continues to achieve a more balanced portfolio by developing lower-emission products and diversifying into new markets, with different products, such as alternative energies. SBM Offshore conducts risk assessments before any new country entry and actively engages with its clients to monitor and mitigate the respective country-related regulatory, commercial and technical risks. See section 1.5.2.
Macroeconomics	Global inflation, interest rate volatility, financing constraints, FX fluctuations and shifts in client investment cycles	Market volatility can create margin pressure through inflation and supply-chain cost escalation. Financial stress within suppliers or partners may affect schedule.	Mitigation includes portfolio diversification across regions, clients and energy value chains, supported by Fast4Ward standardization, frame agreements and early procurement, contractual mechanisms to limit inflation exposure. Scenario-based commercial assessments guide decisions in line with the Risk Appetite Statement, complemented by active liquidity management, hedging strategies and long-term financing. Supplier resilience is reinforced through continuous financial monitoring and strategic relationships, with regular macroeconomic monitoring across risk governance processes.
<b>Operational Risks</b>			
Climate change	Impact of an accelerated energy transition driven by climate change.	Miss opportunities if not succeeding (i) to market competitive technologies and/or (ii) enhance the energy efficiency of existing offerings.	SBM Offshore supports the energy transition by developing competitive technology aiming to reduce emissions, such as carbon capture for FPSOs and floating offshore wind projects. SBM Offshore leverages R&D development, partnerships, to actively participate and propose long-term solutions for the energy transition. See sections 1.5.2 and 3.2.2.
Technological and innovation	Deployment of immature new technologies or implementing proven technologies incorrectly.	Impact on safety, quality and/or schedule, business reputation or financial results.	SBM Offshore employs Technology Readiness Level (TRL) assessments of new technologies, which are verified at several stages during the development phase before being adopted on projects. A technical assurance function ensures compliance with internal and external technical standards, regulations and guidelines. See section 1.5.2.
Competitiveness	SBM Offshore Business Units are in – or could be facing – harsh market conditions.	Impact to deliver projects in an affordable manner, leading to deterioration of financial results.	To drive better performance, delivered faster, SBM Offshore has taken various initiatives in relation to digitalization and standardization, which are the basis for SBM Offshore's Fast4Ward approach. See section 1.5.2.
Process safety events	Potential acute or chronic exposure to hazards during SBM Offshore's product life cycle.	Impact on people, the environment or assets. This can have further impact on other risks (such as human capital and funding).	SBM Offshore aims to reduce major accident hazard exposure through the application of a Process Safety Management (PSM) framework to manage the risk under the pillars of People, Process and Plant. These are underpinned by a culture built on SBM Offshore's values of Care and Ownership and supported by assurance and continuous improvement practices through the product lifecycle. See section 3.3.2.

RISK	DEFINITION	POTENTIAL IMPACT	MANAGEMENT OF IMPACT
Project performance	Inherent project risks exist, owing to a combination of potential effects of geo-political, regulatory, technical and third-party risks.	Impact on people, the environment, reputation, cost and schedule.	Proper business-case analysis, suitable project management capabilities and capacities, combined with SBM Offshore's ways of working, processes and procedures, mitigate project execution risk. Additional risk-mitigating measures are in place related to the knowledge and understanding of the countries in which project execution and delivery take place. See section 1.5.
Digital Transformation	Benefits of Digitalization programs are not realized.	Impact on SBM Offshore's competitiveness.	Change management is a key success factor of the main programs. Change management ambassadors have been appointed and are working closely with the business in the journey towards the new ways of working.
Cybersecurity and data protection	Intrusion into SBM Offshore's data systems affecting onshore and offshore activities as well as secondary risks such as theft of cash and/or confidential info.	Business interruption, loss of data and financial impact, such as recovery costs and/or fines.	The evolving nature of cybersecurity threats requires ongoing attention. There is continuous improvement to reduce risks through investment in hardware, software, monitoring and awareness training. The ability of the IT architecture and controls to withstand cyber-attacks and follow recognized standards is subject to 24/7 monitoring, independent testing, drills and audits.
Human capital	Inability to attract and retain the correct capacity and capabilities of human resources to support projects, as well as to maintain the fleet.	Impact on SBM Offshore's operations and quality of execution of projects.	SBM Offshore remains focused on the health and wellbeing of employees. To maintain capacity and capabilities, SBM Offshore has streamlined its operating model and engages in partnerships. A talent development program is in place to engage and retain key personnel. See section 3.3.1.
Supply Chain constraints	Fluctuating prices and market constraints may increase pressure on SBM Offshore's supply chain.	Increased prices and a shortage of critical equipment from SBM Offshore's suppliers and vendors, along with an inability to manage these costs and schedules.	To mitigate supply chain risks, SBM Offshore is taking measures to address those risks through leveraging Frame Agreements with key suppliers, the anticipation of MPF and critical equipment ordering, and proactive supplier engagement across the whole supply value chain. SBM Offshore is also working across functions to build a strong foundation through an efficient organizational structure, innovative ways of working and strong technical and technological platforms. See section 1.5
Decommissioning	Impacts arising from complex dismantling operations of aging assets.	Decommissioning aging offshore oil and gas structures has complex impacts. Underestimating dismantling costs can lead to financial liabilities and overruns. Environmentally, improper disposal of materials can cause significant damage. Compliance with laws and regulations and addressing safety risks are crucial, while engaging stakeholders is vital to manage differing perspectives and social impacts.	SBM Offshore has gained significant experience in decommissioning assets after their useful life and it will continue to mature processes and competencies, including knowledge of applicable laws and regulations and selection of suitable partners for dismantling operations.

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RISK	DEFINITION	POTENTIAL IMPACT	MANAGEMENT OF IMPACT
Financial and liquidity	Increasing constraints from financial institutions being exposed to fossil fuel-related projects.	Impact on SBM Offshore's growth and ability to take on new Lease and Operate, and Sales and Operate projects.  Impact to SBM Offshore's ability to finance its ongoing activities.	SBM Offshore actively monitors its short- and long-term liquidity position, including the Revolving Credit Facility (RCF) and cash in hand. SBM Offshore aims to have sufficient headroom within the financial ratios agreed with RCF lenders. Adequate access to funding is secured through using existing liquidity, entering into bridge loans and long-term project financing, and by selling equity to third parties. Debt funding is sourced from international banks, capital markets and Export Credit Agencies. Opportunities are monitored to recycle capital and reduce costs through refinancing in the bond markets and executed if favorable. New long-term financing tools are under development.
<b>Compliance Risks</b>			
Third parties	Activities of financial, strategic and/or operational partners impact SBM Offshore's ability to build new business and execute projects.	Impact on safety, environment, people, quality and/or schedule, business reputation or financial results.	Through robust processes, executed by subject-matter experts within the relevant functions, SBM Offshore aims to select appropriate parties with whom to work. Examples of functions involved are Supply Chain, Construction, Compliance and Human Rights. See sections 2.5.2 and 3.3.3.
Changes in laws and regulations	Adverse changes in tax and regulatory frameworks, for example the implementation of the Global Anti-Base Erosion Proposal (GloBE) – Pillar Two, or laws that require certain levels of local content.	Fines, sanctions or penalties.	SBM Offshore takes great care to carry out its activities in compliance with laws and regulations, including international protocols and conventions. SBM Offshore values public perception and good relationships with authorities and is committed to acting as a good corporate citizen. Close monitoring of laws and regulations is carried out continuously. Contractual protection mechanisms are sought where appropriate. The final assessment on Pillar Two legislation will be known only when final legislation, including all administrative guidance, is enacted in the domestic law of the relevant jurisdictions. The OECD has finalized its additional guidance but further discussions and consultations are taking place and will continue in 2026, which means that SBM Offshore has to continue to assess and understand requirements accordingly. The financial risk of change in laws and regulations is mitigated as much as possible in contracts. See section 2.6.
Governance, transparency and integrity	Fraud, bribery or corruption harming SBM Offshore's reputation and business results.	Financial penalties, reputational damage and other negative consequences.	SBM Offshore's Compliance Program provides policy, training, guidance and risk-based oversight and control of compliance, to ensure ethical decision-making. The use of digital tools supports the continuous development of SBM Offshore's Compliance Program. SBM Offshore's Core Values, Code of Conduct and Anti-Bribery and Corruption Policy provide guidance to employees and business partners on responsible business conduct in line with SBM Offshore's principles, which are further reinforced by contractual obligations where applicable. See section 2.5.2 and 3.4.1.

RISK	DEFINITION	POTENTIAL IMPACT	MANAGEMENT OF IMPACT
<b>Reporting</b>			
Financial Reporting	Incomplete, inaccurate, or delayed financial information due to complex reporting requirements.	Inaccuracies may lead to misstatements, delays in the close, incorrect financial information, increased audit findings, and ultimately reducing stakeholder confidence.	A mature ICOFR framework including robust policies and procedures, quarterly internal control campaigns and RAC oversight, automated consolidation and strong data governance, supported by IFRS standards and regular internal and external audit monitoring, providing reliability and integrity of financial reporting. See section 2.5.1.
Sustainability Reporting	Inconsistent or inaccurate double-materiality assessment and weaknesses in ESG data quality, which may undermine the reliability of disclosures.	Inaccurate CSRD disclosures may delay the Annual Report, trigger regulatory scrutiny and lower ESG ratings, while increasing reputational exposure and operational burden during assurance.	The strengthened ICOESG framework, supported by quarterly controls, updated policies, regulatory reviews, coordinated CSRD actions and enhanced ESG data governance, together with ongoing internal and external audits, RAC oversight, VOR and quarterly reporting, reinforces the compliance, traceability and reliability of sustainability disclosures. See section 2.5.1 and chapter 3.