

2022
ANNUAL
REPORT



TRUE.
BLUE.
TRANSITION.

1.4 RISK MANAGEMENT

1.4.1 RISK APPETITE

The Risk Appetite Statement 2022 sets the guidance and boundaries for the activities conducted by SBM Offshore in pursuit of its strategic objectives. The Management Board reviews the Risk Appetite Statement annually to ensure that

SBM Offshore maintains the balance between risk and opportunity. The measurement of the underlying metrics is done every quarter and 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	sanctioned, and/or with 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 meet SBM Offshore's health, occupational and/or process safety management standards
	Limited appetite	with suppliers which do not align with SBM Offshore's strategic goals
Retaining and developing employees	Limited appetite	impacting the retention, development and health of SBM Offshore's employees
Economic Performance	Limited appetite	resulting in balance sheet risk as a result of commercial opportunities for which the bankability cannot be reasonably confirmed
	Limited appetite	severely impacting profitability of SBM Offshore
Emissions	Limited appetite	deviating from the path to achieve SBM Offshore's net-zero target 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

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 accept any activity breaching this risk appetite	Risks within activities to be avoided with appropriate actions	Risks within activities to be mitigated and monitored