

2022 ANNUAL REPORT



TRUE.
BLUE.
TRANSITION.

Definitions of indicators per Material Topic

Material Topic	KPI	Definition
Retaining and developing employees	<ol style="list-style-type: none"> 1. Gender pay gap 2. % under collective bargaining 3. # of new hires 4. # of average training hours 5. Employee turnover rate (%) 6. % of performance appraisals completion 	<ol style="list-style-type: none"> 1. The average compa-ratio female/average compa-ratio male. 2. The percentage of SBM Offshore employees (direct hires, no contractors) covered by collective bargaining agreements. 3. Total number and rate of new employee hires during the reporting period, by age group, gender and region. 4. The average number of total training hours per employee in the current year. 5. The number of employees who have left SBM Offshore in the current year (between January 1 and December 31 of the current year) compared with the aggregate of the headcount on December 31 of the previous year and December 31 of the current year; divided by 2, with the result multiplied by 100. 6. The percentage of performance appraisals completed for permanent, temporary (only from Brazil and the Netherlands) and JV staff (apart from <i>FPSO Kikeh</i>) of all employees that joined SBM Offshore before October 1, 2021 and were still with SBM Offshore on December 31, 2021 (5.2.4).

5.1.3 STAKEHOLDER ENGAGEMENT

SBM Offshore maintains open and active engagement with its external stakeholders through regular business interactions, including the Annual General Meeting, analyst and investor roadshows/meetings, analyst webcast presentations, press releases, website updates, surveys and desktop research.

The feedback obtained during the Materiality Analysis, explained in section 1.2, forms a key element of the backbone of SBM Offshore's stakeholder engagement program. The program is complemented by other interactions with stakeholders, in order to validate findings, and the feedback received feeds into management's approach to Materiality and long-term value creation.

Would you like to participate in SBM Offshore's 2022 Stakeholder Engagement or provide feedback for the 2022 Stakeholder Engagement? Please write to SBM Offshore at sustainability@sbmoffshore.com.

5.1.4 TASKFORCE FOR CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD)

MANAGEMENT APPROACH

Mitigating the impacts of climate change while meeting the needs of the future by facilitating the energy transition are key for SBM Offshore. The Climate Change Risk and Opportunity assessment is embedded in the portfolio of the COO and CFO. The Global Sustainability Director – who reports into the COO-line – prepares Climate Change scenarios and the Group Risk & Control Manager – ultimately reporting to the CFO – embeds Climate Risks and Opportunities into SBM Offshore's risk management processes and systems. This has been done with risk management professionals and SBM Offshore's Group Strategy and Sustainability teams first, followed by validation with business owners and the Risk Assurance

Committee. Any financial impacts identified in the process are disclosed in chapter 4 of this report.

Frameworks from the TCFD have been used to structure the assessment, more specifically, the TCFD's Technical Supplement. SBM Offshore has applied the following steps:

1. Ensuring Governance to integrate Climate Change Scenario analysis into Strategic Planning and Enterprise Risk Management.
2. Assessment of the Materiality of Climate Change-related risks and opportunities with business and functional experts.
3. Identification and definition of the range of Climate Change scenarios.
4. Evaluation of business impact per scenario together with business owners.
5. Identification of potential responses.
6. Documentation in a Climate Change outcome presentation and embedding in SBM Offshore's ERM system as well as Disclosure as per this Annual Report and internal presentations.

The outcome is used to future-proof the current strategy against Physical and Transitional Climate Change-related risks and opportunities. Identified risks and opportunities are embedded in SBM Offshore's Risk Management approach, explained in section 3.6 and SBM Offshore's Strategic Planning processes.

RISK MANAGEMENT

Climate Change risks and opportunities are identified and assessed against SBM Offshore's strategy in SBM Offshore's risk breakdown structure. When relevant, these risks are included in the detailed risk review and analysis is done for all tenders, projects and FPSO (asset) fleet operations that are part of SBM Offshore's portfolio. The Group Risk Manager facilitates the process of bottom-up Climate Change risk reporting to the Risk Assurance Committee (RAC) for consolidation purposes. The outcome of the

5 NON-FINANCIAL INFORMATION

review in the RAC results in heat-maps of risks, which are presented in a quarterly Risk report. This covers proposal, projects and fleet individual risks, as well as Group Functions and Execution Centers, and includes actions and managing measures in place to mitigate risk. The report provides an overview to the Management Board and Supervisory Board alongside the measurement of SBM Offshore's Risk Appetite Statements and the latest Risk profile.

SCENARIO PLANNING

SBM Offshore has defined two Climate Change scenarios to future-proof current strategy and take subsequent action based on IEA and IPCC data:

1. A **Steady** Climate Change Scenario based on the IEA's Stated Policy Scenario (STEPS) and the IPCC's Representative Concentration Pathway (RCP) 4.5 and 6.0. This scenario reflects the impact of announced country policies across the globe. This trajectory is said to have a positive impact on climate change, but falls short of meeting Paris Agreement goals.
2. A **Bold** Climate Action Scenario based on the IEA's net-zero Emissions (NZE) scenario and the IPCC's RCP 1.9 and 2.6. This scenario reflects a trajectory consistent with countries' shared sustainable energy goals. The trajectory provides for strong commitment towards targets as per the Paris Agreement.

5.1.5 EU TAXONOMY DISCLOSURE

The following disclosures are excluded from auditor assurance.

At this point, EU regulation is effective for objectives on climate change mitigation and climate change adaptation, with further delegated acts to be published at a later stage. SBM Offshore is strongly committed to facilitating the Energy Transition. This is evidenced by the Material Topics of Energy Transition, Emissions and Innovation. Objectives and performance for these topics are explained in sections 2.1.7, 2.1.9 and 2.1.10. The following disclosures are excluded from independent auditor assurance.

EU TAXONOMY ELIGIBILITY

The evaluation of the eligibility of SBM Offshore's business activities has been conducted on the basis of the Taxonomy and Delegated Regulation (Annex I – KPIs of non-financial undertakings) and its definition of the denominator and numerator of the 3 KPIs, which are Turnover, CAPEX and OPEX. It was performed through a methodological approach consisting of:

1. extracting the total denominator for the 3 KPIs from the financial reporting and consolidation system used to prepare 2022 IFRS consolidated financial statements,
2. identifying those activities that might fall within the list of economic activities covered in 'Delegated Acts',

3. documenting and assessing for each of those economic activities their 'eligibility' for the first two environmental objectives: 'Climate Change Mitigation' and 'Climate Change Adaptation' included in the EU taxonomy, in order to determine the numerator of each of the 3 KPIs.

- **Turnover** considered for this analysis covers all the business activities of SBM Offshore as at December 31, 2022 and the denominator can be reconciled with the 2022 IFRS Total revenue recognized pursuant to IAS1 and disclosed in note 4.3.2 of the consolidated financial statements. It consists of the Revenues from Turnkey and Lease and Operate activities. A considerable part of this business relates to services to the industry of oil and gas extraction. Even if this part of SBM Offshore's business is addressing the net-zero path – e.g. through decarbonization and digitalization – it cannot be considered eligible for the EU Taxonomy as it is today. The only eligible part of the Turnover therefore relates to SBM Offshore's renewable energy products and services (EU Taxonomy activity: Manufacture of renewable energy technologies).
- **CAPEX** consists of additions to tangible and intangible assets during the financial year 2022 considered before depreciation, amortization and any re-measurements recognized by SBM Offshore pursuant to IAS16, IFRS16 and IAS38. The denominator can be reconciled with the sum of the lines 'Additions' disclosed in notes 4.3.13 and 4.3.14 of the consolidated financial statements. The majority of CAPEX is associated with services to the industry of oil and gas extraction and is therefore non-eligible for the EU Taxonomy – even if part of the CAPEX improves the energy efficiency and emissions profiles of these activities. The eligible part of CAPEX comes mainly from capitalized cost of the Wave Energy Converter, explained in section 2.1.9 and sustainability investments in offices (EU Taxonomy activities: Close to market research, development and innovation and installation, maintenance and repair of energy-efficient equipment).
- **OPEX**, according to the EU Taxonomy, is determined by the direct non-capitalized costs of research and development, building renovation measures, short-term leases, maintenance and repair and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third-party outsources that are necessary to ensure the continued and effective functioning of such assets (EU Taxonomy activity: Close to market research, development and innovation).

The economic activities identified currently contribute to one environmental objective being climate change mitigations, but would they contribute to several environmental objectives than the numerator would only