



OFFSHORE

ENERGY. COMMITTED.

ANNUAL REPORT 2018

5 NON-FINANCIAL DATA

5.6 ASSURANCE REPORT OF THE INDEPENDENT AUDITOR

To: the Management Board and Supervisory Board of SBM Offshore N.V.

Assurance report on the sustainability information 2018

Our conclusion

Based on our procedures performed, nothing has come to our attention that causes us to believe that the sustainability information included in the annual report of SBM Offshore N.V. does not present, in all material respects, a reliable and adequate view of:

- the policy and business operations with regard to corporate social responsibility; and
- the thereto related events and achievements for the year ended 31 December 2018 in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the internally applied reporting criteria as included in the section 'Reporting Criteria' below.

What we have reviewed

We have reviewed the sustainability information for the year ended 31 December 2018, as included in the following sections in the annual report of SBM Offshore N.V.:

- Chapter 1: At a Glance ;
- Chapter 2: Strategy and Performance ;
- Chapter 3.8: section ' Compliance ' ; and
- Chapter 5: Non-financial data.

This review is aimed at obtaining a limited level of assurance.

The sustainability information comprises a representation of the policy and business operations of SBM Offshore N.V., Amsterdam with regard to corporate social responsibility and the thereto related business operations, events and achievements for the year ended 31 December 2018.

The basis for our conclusion

We have performed our review in accordance with Dutch law, which includes the Dutch Standard 3810N 'Assurance engagements on corporate social responsibility reports' ('Assurance-opdrachten inzake maatschappelijke verslagen'), which is a specified Dutch Standard that is based on the International Standard on Assurance Engagements (ISAE) 3000: 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. Our responsibilities under this standard are further described in the section 'Our responsibilities for the review of the sustainability information' of this assurance report.

We believe that the assurance information we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence and quality control

We are independent of SBM Offshore N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO – Code of Ethics for Professional Accountants, a regulation with respect to independence) and other for the engagement relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA – 'Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct').

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS – 'Regulations for quality systems') and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other applicable legal and regulatory requirements.

Reporting criteria

The sustainability information needs to be read and understood in conjunction with the reporting criteria. The Management Board of SBM Offshore N.V. is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for preparation of the sustainability information are the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the internally applied reporting criteria, as disclosed in section 5.1 'Scope of non-financial information' of the Annual Report. The absence of a significant body of established practice on which to draw, to evaluate and measure sustainability information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Limitations to the scope of our review

We have reviewed the sustainability information taking into account the reporting boundaries set by SBM Offshore N.V., as disclosed in section 5.2 'Reporting boundaries'.

The sustainability information includes prospective information such as expectations on ambitions, strategy, plans and estimates and risk assessments. Inherently, the actual results are likely to differ from these expectations. These differences may be material. We do not provide any assurance on the assumptions and the achievability of prospective information in the sustainability information.

The links to external sources or websites included in the sustainability information are not part of the sustainability information itself, reviewed by us. We do not provide assurance over the information outside of this annual report.

Review approach

Overview and context

SBM Offshore N.V. states that sustainability is an important value driver for SBM Offshore N.V.'s business and operations. SBM Offshore N.V. believes its licence to grow is dependent on developing sustainable solutions for the offshore oil and gas industry. SBM Offshore N.V. uses the United Nations Sustainable Development Goals (SDGs) as target guidelines and the GRI standards as the reporting standard to report on non-financial performance.

SBM Offshore N.V. recognized 31 important topics and based on their materiality assessment 16 topics can reasonably be considered important for reflecting SBM Offshore N.V.'s economic, environmental, and social impacts, or influencing the decisions of stakeholders. Based on our review procedures performed we have determined two of these topics to be key review matters.

Employee Health and Safety is an important topic for SBM Offshore N.V. and is amongst others measured by a metric on absenteeism. As in prior year the calculations and consolidation of the data is complex due to the different ways of registering data in the individual companies of the group. In addition, SBM Offshore has worked towards presenting data on more employees. We therefore determined this a key review matter.

Talent development is an important topic for SBM Offshore N.V. as talent is necessary to develop sustainable solutions for the offshore oil and gas industry. SBM Offshore has worked on developing talent and defining metrics to measure this. SBM Offshore has put significant effort in talent development and introduced the metric for the first time in 2018. Considering the subjectivity in the determination of talent development progress and the time spent as part of our review we determined this as a key review matter.

Other important topics that were part of the review, but not considered key review matters, were Ethics & Compliance and Environmental Impact.

Materiality

Based on our professional judgement we determined specific materiality levels for each relevant part of the sustainability information and the sustainability report as a whole. When evaluating our materiality levels, we have taken into account quantitative and qualitative aspects and the relevance of information for both stakeholders and the organization.

Based on our professional judgment, we determined materiality levels for specific quantitative information within a bandwidth of 5% to 10% of the value of the indicator. The determination for either the lower or higher end of the range is based on how material the topic is considered for the user of the sustainability information and SBM Offshore N.V.

We have agreed with the Management Board that we report any deviations observed during the course of our assessment that, in our opinion, are relevant for quantitative or qualitative reasons.

Scope of the review

SBM Offshore N.V. reports on the sustainability information on a consolidated level. For more details reference is made to section 5.1 'Scope of non-financial information' of the Annual Report.

All procedures were performed by the review team. The review team visited the local offices in Monaco and Amsterdam.

Key review matters

Key review matters are those matters that, in our professional judgement, were of most significance in our review of the sustainability information. We have communicated the key review matters to the Management Board. Key review matters are not a comprehensive reflection of all matters identified by our review and that we discussed. In this section, we described the key review matters and included a summary of the review procedures we performed on those matters.

The key review matters are addressed in the context of our review of the sustainability information as a whole, and in forming our conclusion thereon. We do not provide a separate conclusion on these matters or on specific elements of the sustainability information. Any comments or observations we made on the results of our procedures should be read in this context.

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Key review matter

Our review and observations

Development of information on absenteeism

See section 5.2.4 Scope of non-financial information – Human Resources Reporting, 5.3.3 Non-financial indicators – Human Resources and 5.4 GRI Content Index

In 2017, SBM Offshore N.V. developed company-wide reporting definitions and started consolidating data on absenteeism in order to obtain more relevant management information on group level.

SBM Offshore N.V. concluded that the absenteeism rate can only be reported for onshore locations and employees that have been directly employed by SBM Offshore N.V. The reported data covers a part of the employees and therefore does not represent the entire performance of SBM Offshore N.V. SBM Offshore N.V. disclosed a reason for omission from GRI in the GRI Content Index.

SBM Offshore N.V. considers absenteeism as the number of work days lost due to unplanned absence. This does not include permitted absences such as maternity/paternity leave, national holidays, vacation, or compassionate leave. The absenteeism rate is calculated as follows: The total amount of sick days on Full Time Equivalent (FTE) basis divided by the total amount of scheduled working days on FTE basis.

Due to a change in the GRI reporting standard SBM Offshore N.V. is most likely not reporting on absenteeism next year unless the topic becomes material as separate topic in the materiality analysis.

We consider this a key review matter because the data is complex by nature given the different variables used to calculate the absenteeism rate and in combination with the fact that registration of absence and scheduled working days differ between reporting entities.

We performed inquiries to gain an understanding of the definitions (and whether these are in line with GRI), the scope and the processes of the reporting of the absenteeism rate. We observed how time is recorded in the different systems of SBM Offshore N.V. to validate our understanding.

We discussed with management the feasibility of reporting the absenteeism rate and we discussed whether the reporting scope is representative, since it covers only the onshore employees that were directly employed by SBM Offshore N.V.

We obtained an extract of absent time reported through the different systems for all reporting entities. We reviewed the calculation of the absenteeism rate and reviewed whether absence days due to maternity/paternity leave, national holidays, vacation and compassionate leave were appropriately excluded.

We performed detailed testing with a limited test basis for each different source system.

We evaluated whether SBM Offshore N.V. included appropriate disclosures about absenteeism in the annual report, including a sufficiently articulated limitation in scope of for the absenteeism rates to only include directly employed onshore staff.

Based on our review procedures nothing came to our attention with respect to the information on absenteeism and the disclosures thereto.

Key review matter

Our review and observations

Introduction of information on talent development

See section 2.9 Talented People, 5.2.4 Scope of non-financial information – Human Resources Reporting, 5.3.3 Non-financial indicators – Human Resources and 5.4 GRI Content Index

A talent management and succession planning program is in place to track the strengths, development needs and potential future career paths of employees who are seen as having potential for future leadership roles. In 2018 SBM Offshore N.V. developed an approach to measure the overall development progress of the identified employees.

The progress for talents is expressed as a percentage, the number of identified employees making progress compared to total identified employees. Based on a talent matrix employees who are seen as having potential for future leadership roles are identified and approved by an executive committee. The manager of the identified employees indicates the overall development progress compared to expected development needed for the future role by choosing a development category (not making progress, slight delay in progress or overall good progress). The development categories as indicated by the managers are challenged by their HR Business Partner, based on a group wide approach and quality check.

We performed inquiries to gain an understanding of the definitions, the scope and the processes of the reporting of talent development.

We challenged management about the approach to measure the overall development progress, the definitions and the disclosures. We discussed whether the indicator is representative to report on talent management related to the material topic Human Capital Development & Retention.

We obtained the report with the development progress category per employee as identified by the managers and their assessment, including the quality check of HR. We agreed the employees in this report to the approved list with employees who are seen as having potential for future leadership roles. We reviewed if all manager assessments have been checked by HR and if all changes from HR have been adjusted in the report. In addition we reviewed, for a limited sample, the reasonableness of the development

Key review matter

The indicator is based on assessments of the managers and therefore subjective in nature. Managers' judgement should be taken into consideration when determining development categories. The risk of bias is mitigated by the quality check of HR.

We consider this a key review matter because it is a new indicator in the annual report on which SBM Offshore N.V. reports. SBM Offshore considers talent development important to develop sustainable solutions for the offshore oil and gas industry. Also subjectivity is involved in determining the development progress.

Our review and observations

categories based on the input from the managers and whether an appropriate conclusion has been reached.

We also reviewed whether SBM Offshore N.V. adequately applied the reporting definition and we recalculated the percentage.

We evaluated whether SBM Offshore N.V. included appropriate disclosures about talent development in the annual report.

Based on our review procedures nothing came to our attention with respect to the information on talent development and the disclosures thereto.

Responsibilities for the sustainability information and the review**Responsibilities of the Management Board**

The Management Board of SBM Offshore N.V. is responsible for the preparation of the sustainability information in accordance with the reporting criteria as included in the section 'reporting criteria', including the identification of stakeholders and the definition of material matters. The choices made by the Management Board regarding the scope of the sustainability information and the reporting policy are summarized in section 5.1 'Scope of non-financial information'. The Management Board is responsible for determining that the applicable reporting criteria are acceptable in the circumstances.

The Management Board is also responsible for such internal control as it determines necessary to enable the preparation of the sustainability information that is free from material misstatement, whether due to fraud or errors.

The Supervisory Board is responsible for overseeing SBM Offshore N.V.'s reporting process on the sustainability information.

Our responsibilities for the review of the sustainability information

Our responsibility is to plan and perform the review engagement in a manner that allows us to obtain sufficient and appropriate assurance information to provide a basis for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in review engagements is therefore substantially less than the assurance obtained in audit engagements.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the sustainability information. The materiality affects the nature, timing and extent of our review procedures and the evaluation of the effect of identified misstatements on our conclusion.

Procedures performed

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements.

Our procedures included amongst others:

- Performing an analysis of the external environment and obtaining insight into relevant social themes and issues, relevant laws and regulations and the characteristics of SBM Offshore N.V.
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the sustainability information. This includes the evaluation of the results of the stakeholders' dialogue and the reasonableness of estimates made by the Management Board.
- Obtaining and understanding of the reporting processes for the sustainability information, including obtaining a general understanding of internal control relevant to our review.
- Identifying areas of the sustainability information with a higher risk of misleading or unbalanced information or material misstatement, whether due to fraud or errors. Designing and performing further assurance procedures aimed at determining the plausibility of the sustainability information responsive to this risk analysis. These procedures consisted amongst others of:
 - Interviewing management and relevant staff at corporate and business level responsible for the sustainability's strategy and, policy and results;
 - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the sustainability information;
 - Determining the nature and extent of the review procedures for the group components and locations. For this, the nature, extent and/or risk profile of these components are decisive. Based thereon we selected the components and locations to visit. The visits to locations in Monaco and the Netherlands are aimed at, on a local level, validating source data and evaluating the design of internal controls and validation procedures;

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- Obtaining assurance information that the sustainability information reconciles with underlying records of SBM Offshore N.V.;
- Reviewing, on a limited test basis, relevant internal and external documentation;
- Performing an analytical review of the data and trends;
- Reconciling the relevant financial information with the financial statements;
- Evaluating the presentation, structure and content of the sustainability information;
- Considering whether the sustainability information as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

We communicated with the Supervisory Board on the planned scope and timing of the engagement and on the significant findings that result from our engagement.

Amsterdam, 13 February 2019

PricewaterhouseCoopers Accountants N.V.

A.A. Meijer RA

A photograph of an offshore oil rig deck. In the foreground, a large orange vertical structure is visible. To the left, there's a yellow crane or hoist system with blue cables. Several workers in orange safety gear and white hard hats are visible on the deck. A yellow curved structure is in the center. A red rope or cable runs across the deck. In the background, the blue sea and a cloudy sky are visible. A large white number '6.' is overlaid on the upper part of the image.

6.

OTHER INFORMATION

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