

2017

ANNUAL REPORT



EXPERIENCE MATTERS

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5.5 ASSURANCE REPORT OF THE INDEPENDENT AUDITOR

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

Assurance report on the non-financial information 2017

Our conclusion

Based on our review, nothing has come to our attention that causes us to believe that the non-financial 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 sustainability; and
 - the events and achievements related thereto for the year ended 31 December 2017
- in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the internally applied reporting criteria.

What we have reviewed

The Non-financial information contains a representation of the policy and business operations of SBM Offshore N.V., Amsterdam regarding sustainability and the events and achievements related thereto for 2017.

We have reviewed the non-financial information for the year ended 31 December 2017, as included in the following sections in the annual report of SBM Offshore:

- Chapter 1: At a glance;
- Chapter 2: Strategy and performance;
- Chapter 3: section 'Compliance'; and
- Chapter 5: Non-financial data.

The links to external sources or websites included in the non-financial information, are not part of the non-financial information itself, reviewed by us. We do not provide assurance over the information outside the non-financial information.

The basis for our conclusion

We conducted 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 3000: 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. This review is aimed to obtain limited assurance. Our responsibilities under this standard are further described in the section 'Our responsibilities for the review of the non-financial 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 'Code of Ethics for Professional Accountants, a regulation with respect to independence' ('Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' – ViO) and other for the engagement relevant independence requirements in the Netherlands. Furthermore we have complied with the 'Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct' ('Verordening gedrags- en beroepsregels accountants' – VGBA).

We apply the 'detailed rules for quality systems' ('Nadere voorschriften kwaliteitssystemen') 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

SBM Offshore N.V. developed its reporting criteria on the basis of the Sustainability Reporting Standards of GRI, as disclosed in section 5.1 'Scope of non-financial information' of the Annual Report. The information in the scope of this assurance engagement needs to be read and understood in conjunction with these reporting criteria. The Management Board is responsible for selecting and applying these reporting criteria. The absence of a significant body of established practice on which to draw, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Inherent limitations

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

Our review approach

Materiality

Based on our professional judgement we determined specific materiality levels for each relevant part of the non-financial 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%.

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 group review

SBM Offshore N.V. reports on the non-financial information on a consolidated level. For more details reference is made to section 5.1 'Scope of non-financial information' of the Annual Report. Our review focused on the corporate headquarters and group functions, and the regional centers in Monaco, Brazil, Houston and Malaysia.

The majority of review procedures for this assurance engagement were performed by the central review team. Specific review procedures for certain employment data and compliance were performed by component review teams.

Where the work was performed by component review teams, we determined the level of involvement we needed to have in their work to be able to conclude whether sufficient appropriate evidence had been obtained as a basis for our conclusion on the consolidated Non-financial information. The consolidation is reviewed by the central review team in the Netherlands.

Key review matter

Key review matters are those matters that, in our professional judgement, were of most significance in our review of the non-financial information. We have communicated one key review matter to the Management Board and Supervisory Board. Key review matters are not a comprehensive reflection of all matters discussed. We described the Key review matter and included a summary of the procedures we performed on this matter.

The key review matter is addressed in the context of our review of the non-financial information as a whole, and in forming our conclusion thereon. We do not provide a separate conclusion on this matter or on specific elements of the non-financial information. Any comments we make regarding the results of our procedures should be read in this context.

Key review matter

How our review addressed the matter

Development of information on absenteeism

See section 2.8 Talented People, 5.1.8 Scope of non-financial information – Human Resources Reporting, 5.2.3 Non-financial indicators – Human Resources and 5.3 GRI Content Index

Vitality of employees are a material element of SBM Offshore N.V.'s Human Resources (HR) strategy. The rate of absenteeism is a relevant GRI indicator for SBM Offshore N.V. to evaluate the health of employees. Until 2016, this rate was primarily monitored and reported locally and not consolidated for the entire SBM Offshore group. In 2017, the company developed company-wide reporting definitions and started consolidating these data in order to obtain more relevant management information on group level.

In order to evaluate the feasibility of reporting performance data, management assessed:

- the consistency between reporting entities of registering absence hours;
- availability of supporting evidence.

The company concluded that the absenteeism rate can only be reported for onshore locations and only for permanent employees that have been employed the entire year. The reported data covers a part of the employees and therefore does not represent the entire company's performance yet. The company aims to align the criteria for recording absenteeism in order to be able to include all employees working onshore as well as offshore and on construction yards in due course. The

In addition to our planned inquiries and analytical procedures, we performed further inquiries to gain sufficient understanding of the precise 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 challenged management about 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 permanently employed the entire year.

We obtained an extract of absent time reported through the different systems for all reporting entities, which includes also preliminary data of those out of scope. Based on a sample of employees, we reviewed whether the company adequately selected the employees as per the defined scope for 2017, based on the SBM entity, form of contract (permanent or not) and employment period (entire year or not).

We also reviewed whether the company adequately applied the company wide reporting definition for all entities in scope, in particular by reviewing, whether:

- absence days due to maternity leave were excluded;

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Key review matter

company disclosed a reason for omission from GRI in the GRI Content Index.

We consider this a key review matter because it is new information in the annual report on which the company reports, which is complex by nature given the different variables used to calculate, in combination with the fact that registration of absence and scheduled working days differ between reporting entities.

How our review addressed the matter

- vacation and national holidays were excluded from the calculation of working days;
- application of part-time factors were consistently applied.

We evaluated whether the company included appropriate disclosures about absenteeism in the annual report including a sufficiently articulated limitation in scope of for the absenteeism rates to only include permanent onshore staff that were been employed for the entire year.

Responsibilities for the Non-financial information and the assurance-engagement

Responsibilities of the Management Board

The Management Board of SBM Offshore N.V. is responsible for the preparation of the Non-financial information in accordance with the Sustainability Reporting Standards of GRI and the internally applied reporting criteria as disclosed in section 5.1 'Scope of non-financial information' of the annual report, including the identification of stakeholders and the definition of material topics. The choices made by the management board regarding the scope of the Non-financial 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 Non-financial 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 annual report.

Our responsibilities for the review of the Non-financial information

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

This review engagement is aimed at obtaining limited assurance. In obtaining a limited level of assurance, the performed procedures are aimed at determining the plausibility of information and are less extensive than those aimed at obtaining reasonable assurance in an audit engagement. The assurance obtained in review engagements aimed at obtaining limited assurance is therefore significantly lower than the assurance obtained in assurance engagements aimed at obtaining reasonable assurance.

Misstatements may arise due to irregularities, including fraud or error and are considered to be 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 Non-financial information. The materiality affects the nature, timing and extent of our review 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 assurance engagement, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements.

Our main procedures include:

- Performing an external environment analysis and obtaining insight into relevant social themes and issues, relevant laws and regulations and the characteristics of the organization.
- Identifying and assessing the risks of material misstatement of the Non-financial information, whether due to errors or fraud, designing and performing review procedures responsive to those risks, and obtaining review evidence that is sufficient and appropriate to provide a basis for our conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Developing an understanding of internal control relevant to the assurance engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion on the effectiveness of SBM Offshore N.V.'s internal control.
- Evaluating the appropriateness of the reporting criteria used and its consistent application, including the evaluation of the results of the stakeholders' dialogue and the reasonableness of management's estimates made by management and related disclosures in the Non-financial information made by management;
- Evaluating the overall presentation, structure and content of the Non-financial information, including the disclosures.
- Evaluating whether the Non-financial information represents the underlying transactions and events free from material misstatement.
- Interviewing management and relevant staff at corporate and business level responsible for the sustainability's strategy and, policy and performance of sustainability operations.
- Interviewing relevant staff at corporate level and business level, responsible for providing the information in the Non-financial information, carrying out internal control procedures on the data and consolidating the data in the Non-financial information.
- Reviewing internal and external documentation to determine whether the Non-financial information, including the disclosure, presentation and assertions made in the Non-financial information, is substantiated adequately.
- An analytical review of the data and trends submitted for consolidation at corporate level.
- Assessing the consistency of the Non-financial information and the information in the Annual Report not in scope for this assurance report.
- Assessing whether the Non-financial information has been prepared 'in accordance' with the Sustainability Reporting Standards of GRI.

From the matters communicated with SBM Offshore N.V. we determine those matters that were of most significance in the review of the Non-financial information and are therefore the key review matters. We describe these matters in our assurance report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not mentioning it is in the public interest.

Amsterdam, 7 February 2018

PricewaterhouseCoopers Accountants N.V.

drs. E.M.W.H. van der Vleuten RA

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OTHER INFORMATION
EXPERIENCE MATTERS

