



OFFSHORE

ENERGY. COMMITTED.



ANNUAL REPORT 2019

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 2019

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 2019 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 thereto related events and achievements for the year ended 31 December 2019

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 included in the annual report for the year ended 31 December 2019, as included in the following sections in the annual report (hereafter 'the sustainability information'):

- 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 sustainability and the thereto related business operations, events and achievements for the year ended 31 December 2019.

The basis for our conclusion

We have performed our review in accordance with Dutch law, which includes the Dutch Standard 3810N 'Assuranceopdrachten inzake maatschappelijke verslagen' ('*Assurance engagements on corporate social responsibility reports*'), 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 – Dutch Code of Ethics).

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 on non-financial information' of the annual report. The absence of an 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.

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'.

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Limitations to the scope of our review

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 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 reporting standard to report on non-financial performance.

SBM Offshore N.V. recognized 31 topics and based on their materiality assessment 17 topics can 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 we have identified two topics that we consider key review matters: merged material topics and offshore emission boundaries.

The materiality matrix presents the topics that are material to stakeholders and on which SBM Offshore N.V. can have significant impact. SBM Offshore N.V. assessed the material topics identified and merged the topics into 8 'merged material topics'. To every merged material topic SBM Offshore N.V. allocated one performance indicator to be disclosed in the annual report, which results in minimum information being provided to stakeholders on the performance. We have spent significant amount of time on the assessment of the coverage of the performance indicators in relation to the 'merged material topics' based on GRI. We therefore determined this as a key review matter.

Pollution to air and sea is a material topic to SBM Offshore N.V. and is amongst others measured by various metrics on offshore emissions. This year the boundaries of reporting have been revised, thereby changing the reporting boundaries for offshore emissions which requires a thorough assessment of reporting definitions. We therefore determined this as a key review matter.

Materiality

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

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 for the user of the sustainability information and SBM Offshore N.V.

We 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. is the parent company of a group of entities. The sustainability information incorporates the consolidated information of this group of entities to the extent as specified in section 5.1 'Scope of non-financial information' and section 5.2 'Reporting boundaries' of the Annual Report. Our group review procedures consisted of review procedures at corporate (consolidated), including site visits. Our selection of sites in scope of our review procedures is primarily based on the site's individual contribution to the consolidated information. Furthermore, our selection of sites considered relevant reporting risks and geographical spread.

By performing our review procedures at group level, together with additional review procedures at site level, we have been able to obtain sufficient and appropriate assurance evidence about the group's sustainability information to provide a conclusion about the sustainability information.

All procedures were performed by the group review team. The group review team visited the locations in Monaco, Amsterdam and Shanghai.

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 and Supervisory Board. The key review matters are not a comprehensive reflection of all matters discussed. In this section, we described the key review matters and included a summary of the review procedures we performed on those matters.

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

Key review matter

Our review and observations

Change in reporting boundaries for emission reporting

See section 5.2 Reporting Boundaries – 5.2.2 Environmental Reporting – Offshore emissions and 5.4 GRI Content Index

When using the control approach to consolidate GHG emissions, companies shall choose between either the operational control or financial control criteria. SBM Offshore has chosen operational control criteria in their reporting up to 2018. We discussed with management whether the current reporting scope is still appropriate.

SBM Offshore N.V. reassessed the external reporting boundaries and adjusted them to better reflect 'operational control' based on the IPIECA (2003) definition, as is common in the industry.

SBM Offshore N.V. provided a position paper elaborating on the boundary setting based on 'operational control'.

We consider this a key review matter because the reassessment of the boundaries was complex by nature given the choice of control criterion in the oil and gas industry can have substantial consequences for a company's GHG emissions.

In 2019 as part of our planning procedures, we have assessed the scope. We have reviewed the boundaries used against the GHG protocol and industry guidelines for reporting GHG emissions (IPIECA, 2003).

We performed inquiries to gain sufficient understanding of the defined boundaries. We have reviewed the definition of the boundaries and determined they are in line with GRI.

SBM Offshore N.V. provided an overview of the vessels in scope based on 'operational control'. We verified whether the vessels included qualify to be in scope based on the defined boundaries with supporting documentation and whether the 'operational control' definition is correctly applied.

SBM Offshore N.V. revised 2018 figures for Offshore emissions in line with the reassessed definition and disclosed this in the annual report. We reviewed the disclosure on revised Offshore emissions, including a change in scope of for the offshore emissions in 2019.

Based on our review procedures nothing came to our attention which is not in accordance with GRI standards with respect to the information on offshore emissions and the disclosures thereto.

Key review matter

Our review and observations

Merging of material topics

See section 1.7 Materiality and Value Creation, and 5.4 GRI Content Index

In 2018 SBM Offshore N.V. did a stakeholder analysis in order to identify material topics. By adding the business impact, the materiality matrix of 2018 was created. SBM Offshore validated the materiality matrix with a sample of clients and vendors in 2019. Based on the results obtained, SBM Offshore N.V. concluded no changes to be made to the materiality matrix in 2019.

SBM Offshore identified 17 material topics. In the process of establishing the annual report SBM Offshore N.V. assessed the link between the material topics and the business processes within the company. This assessment resulted in 8 merged material topics and the decision to allocate one performance measure to every 'merged material topic'.

We consider this a key review matter because the assessment requires judgment and careful consideration.

We held several discussions with management and those charged with governance on the merged material topics. Especially, we discussed the coverage of the material topics by the indicators presented in the annual report.

We reviewed the materiality matrix based on GRI and results of the stakeholder analysis performed by SBM Offshore N.V.. We evaluated whether the disclosed management approach and corresponding indicators are representative for the identified 'merged material topics', thereby providing minimum required amount of information to the stakeholders of SBM Offshore N.V.. Finally, we evaluated whether SBM Offshore N.V. disclosed the merged material topics appropriately in the GRI index of the annual report.

Based on our review procedures nothing came to our attention which is not in accordance with the GRI Standards with respect to the information on materiality matrix and the disclosures thereto.

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Responsibilities for the sustainability information and the review

Responsibilities of the Management Board and Supervisory Board

The Management Board of SBM Offshore N.V. is responsible for the preparation of reliable and adequate 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' and section 5.2 'Reporting Boundaries' of the annual report. 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 the Management Board 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.

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;
 - 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 in the information submitted for consolidation at corporate level.
- Reconciling the relevant financial information with the financial statements.
- Evaluating the consistency of the sustainability information with the information in the annual report, which is not included in the scope of our review.
- Evaluating the presentation, structure and content of the sustainability information;
- To consider whether the sustainability information as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

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

Amsterdam, 12 February 2020

PricewaterhouseCoopers Accountants N.V.

A.A. Meijer RA



JOHAN CASTBERG TURRET MOORING SYSTEM

