



EXPERIENCE **MATTERS**

2016

ANNUAL REPORT

6 NON-FINANCIAL DATA

6.1 SCOPE OF NON-FINANCIAL INFORMATION

6.1.1 REPORTING ABOUT NON-FINANCIAL INFORMATION

The sustainability information presented in this report is prepared 'in accordance' with the 'core' option of GRI G4 Guidelines of Sustainability Reporting. The Company has used the GRI G4 Guidelines to determine material aspects for this year's report.

For SBM Offshore, it is important to have assurance on financial as well as non-financial information, to obtain assurance on the reliability of information presented to its stakeholders. This year the Company requested limited assurance on the non-financial information. PricewaterhouseCoopers Accountants N.V. ('PwC') has been engaged by SBM Offshore as its auditor.

6.1.2 MATERIALITY METHODOLOGY

A key step in developing an Integrated Report is ensuring that the content reflects SBM Offshore's most material issues. SBM Offshore conducts materiality analysis according to GRI G4 Guidelines and with influence from IPIECA (International Petroleum Industry Environmental Conservation Association) guidance.

SBM Offshore has been conducting materiality assessments to guide annual reporting since 2014. For this 2016 Annual Report, it was refreshed and built upon the process that was used to determine content for the 2015 Annual Report.

ISSUE IDENTIFICATION

Using the list of potential material issues from 2015, SBM Offshore used the following sources to identify if there were any new issues to add or issues that may need to be reassessed:

- Media review
- Feedback from internal and external stakeholders
- Benchmarking of peer company reports

ISSUE PRIORITIZATION

SBM Offshore then prioritized the issues based on the materiality, meaning, how important the issues are to stakeholders and the significance in relation to SBM Offshore's business objectives and its principles and values. Stakeholders were asked to rate the relevance of each of the material aspects. During this process stakeholders were also presented with the opportunity to add issues to the list not previously identified. We prioritized the long list of issues on the following criteria:

- Online and media coverage
- Strategic importance to SBM Offshore
- Occurrence under international standards and framework
- Stakeholder ratings
- Frequency that stakeholders raised the issues
- Future business opportunities and challenges
- Coverage by industry and peers

2016 MATERIAL ISSUES

The materiality matrix represents the outcomes of the 2016 materiality assessment. The matrix combines the outcomes of the Stakeholder Engagement process (see section 6.1.4 Stakeholder Engagement) along the vertical axis and analysis of the impact of issues on business by SBM Offshore Management Board and Management Leadership Team, in accordance with SBM Offshore's three year strategic plan, along the horizontal axis. The final matrix of material topics were reviewed and validated by Management Board.

The most significant themes, issues with the highest priority for stakeholders and the biggest estimated impact on business, can be found in the upper right section, highlighted in orange. In 2016, new issues emerged compared to last year, the new list of issues are, Renewables, Operational Performance and Sustainable Business.

The results of the material assessment can be found in the materiality matrix, which can be found in section 1.7 Materiality-based Value Creation. Details on how the matrix corresponds to GRI and reporting boundaries can be found in section 6.1.5 Reporting Boundaries. General standard disclosure