



EXPERIENCE **MATTERS**

2016

ANNUAL REPORT

and aspects with lesser of priority are included in the GRI Table.

6.1.3 VALUE CREATION MODEL

By defining value drivers that strengthen its business proposition, SBM Offshore ensures that it leverages its differentiated products and services throughout the full product lifecycle to match clients' needs. Each value driver, combined with its synergies, optimize the added value for clients and shareholders. In addition the value drivers provide a level of assurance that the excellent performance, to which SBM Offshore aspires, will be delivered.

In 2016, SBM Offshore further developed its Integrated Business model in line with IIRC integrated reporting framework. The Company's vision and values are reflected in the model (see section 1.7 Materiality-based Value Creation) and contribute to SBM Offshore's track record and reputation as an industry leader. The core of the model, reflects the main business activities – engineering, construction and the Lease and operate of units – and outputs. The input capital is described as a 'value driver' and the outcome as 'added value' in relation to the six capitals (see section 1.7 Materiality-based Value Creation).

6.1.4 STAKEHOLDER ENGAGEMENT

STAKEHOLDER ENGAGEMENT

SBM Offshore is fully aware that sustainable business can only be achieved by interacting with its stakeholders and understanding the impact the business has on its environment. The Company realizes that engaging with its stakeholders is an important source of information to assist in defining risks and opportunities as well as setting the Company's strategic objectives within the value chain.

To shape stakeholder engagement, SBM Offshore identified key stakeholders by mapping the level of influence on and level of interest in the Company. Main stakeholders are the Company's employees, shareholders, the investor community, clients,

business partners and suppliers. Other important stakeholders are lenders, export credit agencies, governments in operating areas, non-governmental organizations (NGOs), oil and gas industry associations, universities, researchers and potential investors. Throughout the year SBM Offshore engages with these stakeholders on a continuous basis as part of regular operations and captures that information.

Internally, SBM Offshore organizes regular Town Hall meetings where top management share business updates and establish a dialogue with staff; including participation in worldwide Company events such as Life Day. SBM Offshore also regularly shares information and updates on strategies, projects and people with its employees through the company's intranet site and via its internal monthly newsletter.

The Company maintains open and active engagement with its external stakeholders through regular business interactions, including the annual shareholders meeting, analyst and investor road shows/meetings, a Capital Markets Day for financial analysts, analyst webcast presentations, Press Releases, Website updates, surveys and desktop research.

The feedback obtained forms the backbone of the Company's stakeholder engagement program. The program is complemented with other interaction with stakeholders, in order to validate findings and the feedback received feeds into management's approach to Materiality and long term value creation.

SBM Offshore performed a Materiality assessment to identify the aspects that are material to its 'license to operate' and its 'license to grow' (see 2.12 Sustainable Business for more explanation). The key performance indicators stated for 2016 are based on topics identified as material for SBM Offshore. SBM Offshore discloses its performance indicators to allow stakeholders the opportunity to provide feedback on the Company's impact, in connection with its sustainability policies, targets