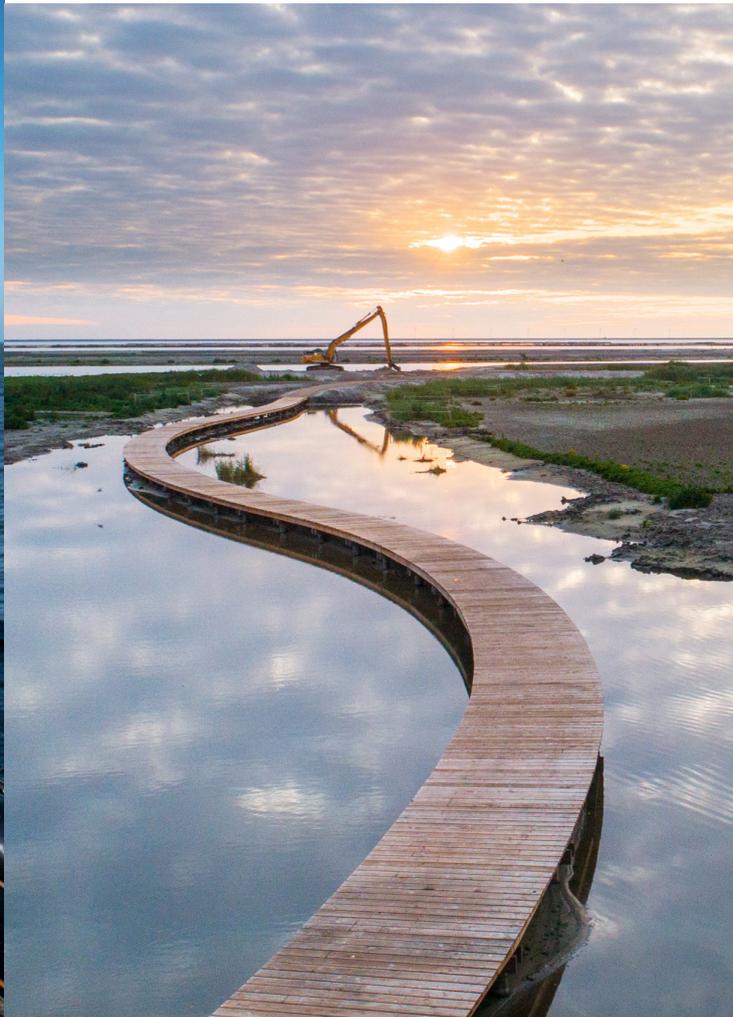


CSR REPORT 2018



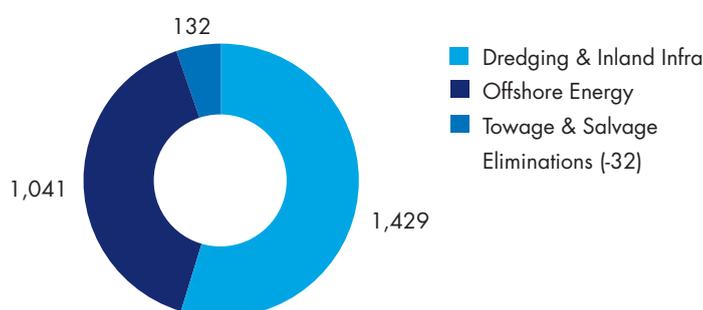
KEY FIGURES

(in EUR million, unless stated otherwise)	2018	2017
Revenue	2,570	2,343
Order book	4,292	3,495
EBITDA	353.6*	436.6
Net result from joint ventures and associates	28.4*	31.0
Depreciation and amortization	234.6	251.6
Operating result	119.0*	185.0
Extraordinary charges	519.5	0.0
EBIT	-400.5	185.0
Net profit adjusted for extraordinary charges after tax	82.8	150.5
Net profit (loss)	-435.9	150.5
Net group profit (loss)	-433.7	150.4
Cash flow	319.5*	402.0
Shareholders' equity	2,544	3,023
RATIOS (IN PERCENTAGES)		
EBIT as % of revenue	4.6*	7.9
Return on capital employed	2.9*	4.8
Return on equity	3.0*	4.9
Solvency	56.1	62.6
FIGURES PER SHARE (IN EUR)		
Profit	0.63*	1.15
Dividend	0.50	1.00
Cash flow	2.41*	3.07
NON-FINANCIAL INDICATORS		
Employees including associated companies	11,345	10,732
Employees in Boskalis majority owned entities	5,912	5,772
Ratio women/men within Boskalis' majority owned entities	12/88	10/90
Number of nationalities within Boskalis' majority owned entities	68	64
Lost Time Injuries (LTI)	10	9
Lost Time Injury Frequency (LTIF)	0.05	0.06
Total Recordable Injury Rate (TRIR)	0.40	0.55
Strategic suppliers: percentage spend covered by Supplier Code of Conduct	70	81
CO ₂ emissions scope 1+2 (MT ('000))	1,180	1,223

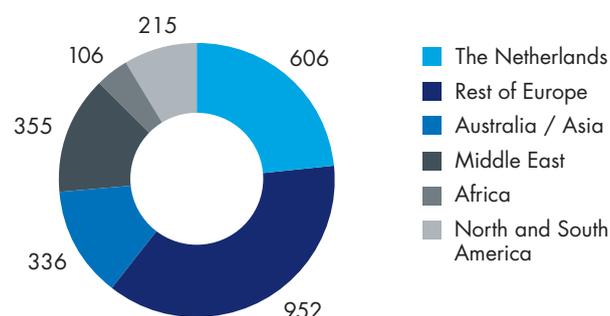
Please refer to the glossary for definitions of the terms used

* Excluding extraordinary charges

REVENUE BY SEGMENT (in EUR million)



REVENUE BY GEOGRAPHICAL AREA (in EUR million)





CSR REPORT 2018

This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards: core option.

Printed copies of this CSR Report can be requested via csr@boskalis.com.

The CSR Report can be found on www.boskalis.com/csreport.

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CHAIRMAN'S STATEMENT



This CSR report is a special one as it marks our ten year anniversary. Ten years ago we published our first CSR report. At the time we were the first in our industry to do so and we have built on this position as proud front-runners. Over the years, we have made considerable steps forward in sharpening our CSR strategy and structuring our reporting as stakeholder expectations evolve. Whilst this landscape continues to develop, it is also my ambition that we continue to lead our industry in sustainability and meet the expectations of our stakeholders.



Reflecting on the past 10 years, it has been a period of significant change. The growth of the company with numerous acquisitions was successfully incorporated in our CSR reporting. The development of our value based safety program NINA was done during this period, and was recently complemented by our Way of Working quality management system. The introduction of a company-wide reporting tool for all our CSR key performance indicators, including emissions, has contributed to the annual third party verification. And through a periodic materiality assessment we stay informed on the importance of key topics and expectations of our stakeholders.

SUSTAINABLE DEVELOPMENT GOALS

Beside the internal developments over the past decade, the role of business in society has changed. Our stakeholders question purpose and expect impact, looking at how our role can contribute positively to society. In this context we have taken a closer look at which of the UN Sustainable Development Goals most closely relate to our business. Not surprisingly the areas where we can contribute most are tied to our business and our activities in the areas of flood protection, climate change resilience, infrastructure services for trade and energy and the energy transition to renewable fuels – and of course employment. We have an entrepreneurial culture and invest in innovative and sustainable technologies to help us stay ahead in the market and contribute to our own and our clients' sustainability ambitions.

MAKING CSR BUSINESS AS USUAL

Naturally we cannot only focus on the positive impacts we can make as a business. We also need to make sure we manage our work in an environmentally and socially responsible way. This isn't only about a sense of duty, as I strongly believe our ability to deliver complex projects in line with international standards is a great asset for the future of our business. This year we made several steps forward in this regard, including strengthening our social impact program and continuing to improve and enhance our environmental and safety management systems by integrating them into our quality management system. This is important for us, but it's also essential for our clients to see that we have robust systems in place to manage the safe and sustainable execution of our projects. Looking back over the past ten years, the improvement in our safety culture is something I am particularly proud of which is also reflected in our 2018 safety performance. Last year we once again saw a decline in the frequency in lost time incidents to a record low of 0.05.

In 2018 we also continued our environmental work and further invested in Building with Nature, both financially and through knowhow. Once again a large number of projects were executed using this sustainable design approach ranging from our work on the Houtrib Dike in the Netherlands to stimulating natural mangrove restoration in Indonesia.

Over the last year, we also continued to raise awareness about plastic pollution in the oceans. Our senior Boskalis engineers provided their expertise to The Ocean Cleanup in their effort to design and produce a floating barrier that can capture and extract plastics from the ocean. And hundreds of our employees and their supporters carried out Boskalis Beach Cleanups, in the Netherlands and around the world.

SUSTAINABLE HORIZONS

Our employees are the true cornerstone of this business. Over the past year we continued to focus on talent management programs as well as looking at how we can support our employees' career aspirations and improve their working environment. This included stimulating internal career moves through a new online platform and creating specific programs to facilitate the exchange of talent throughout the company.

One of the highlights of 2018 is undoubtedly the internal drive and energy our colleagues shared at internal events on sustainability. Together with Young Boskalis we brought together more than 300 colleagues from across the business in two Sustainable Horizons events – to inform and collaborate on the subject. The enthusiasm and creativity were inspiring and I look forward to seeing where this energy takes us in 2019 – to make a positive contribution together with our stakeholders.

On behalf of the Board of Management, I want to thank all colleagues for their contribution during the past year, as well as thank our clients, partners and shareholders for the trust and confidence they place in us.

Peter Berdowski

BOSKALIS AT A GLANCE





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WORLD**

HOW WE CREATE VALUE

From our headquarters in Papendrecht, we operate around the world as a leading player in dredging, offshore energy and marine services.

At Boskalis we formulate our corporate business plan with a clear eye on the megatrends that relate to our business, such as growing world trade, energy consumption, population growth and climate change. Through our strategy and responsible business practices, we contribute to the United Nations Sustainable Development Goals (SDGs) which form the blueprint to achieve a better and more sustainable future for all. The SDGs call for worldwide action by organizations and governments. Boskalis endorses the SDGs and focuses on the SDGs that are most relevant to its business. More information on the relevance of our work to SDGs is provided in the Appendix.

We are a project based organization. On this page we have set out the key elements that are relevant for each project, and how we create value along the way. In each of these steps we touch upon different SDGs.



Diverse clients

With over 100 years experience and a presence in over 90 countries, we offer a broad range of specialist maritime services to our clients.

Our clients include government organizations, energy companies, developers, ports and terminals. We provide a wide variety of solutions to our clients, including sea defense, channel deepening, land reclamation, engineering, energy infrastructure, towage and salvage. For more information on our services, we refer to our Annual Report or www.boskalis.com.



Committed employees

As our industry requires highly qualified workers and experienced professionals, our 5,912 employees are our most important asset.

Our efforts are focused on attracting the right talent and creating an inclusive workplace, that supports and stimulates employees to develop and grow. Read more on page 40.

Our activities have a relatively high safety risk profile and the safety of our employees and those of our subcontractors is a top priority. Our safety program and performance are described further on page 38.

“THE AREAS WHERE WE CAN CONTRIBUTE MOST TO SUSTAINABLE DEVELOPMENT ARE TIED TO OUR BUSINESS, OUR EMPLOYEES AND OUR ACTIVITIES IN THE AREAS OF FLOOD PROTECTION, CLIMATE CHANGE RESILIENCE, INFRASTRUCTURE SERVICES FOR TRADE AND ENERGY AND THE TRANSITION TO RENEWABLE FUELS”

Peter Berdowski
Chief Executive Officer



Responsible suppliers

Through our central procurement office we maintain relationships with approx. 1,500 suppliers. A reliable and efficient supply chain is essential to our business.

Of these suppliers 79% are based in the Netherlands, 5% in other European countries and 16% outside Europe. Wherever we work we expect our suppliers to work in line with our values, which means acting responsibly and with integrity. We monitor implementation of our Supplier Code of Conduct and work together with our suppliers towards improvements. In addition, our supply chain partners are a source of sustainable innovations. For more information see page 52.



Versatile assets

Our versatile fleet consists of more than 900 specialized vessels and floating equipment, which are deployed around the world.

Our strength lies in deploying our own assets on projects, alongside our expertise and our approach to sustainability. We therefore pay particular attention to safety, waste, ballast water and energy management for our fleet. We are also committed to the safe and sustainable dismantling of our ships. Read more on our dismantling policy on page 52.



Environmental innovation

We develop technical and infrastructural solutions that are flexible and can be adapted in response to changing environments.

We have expert multi-disciplinary teams that design and plan projects to meet the needs and expectations of our clients as well as the environment. We continue to innovate to offer efficiency and sustainability improvements to the market, for example through our Building with Nature projects described on page 16. We collaborate with start-ups, NGOs and civil society to share and build knowledge, and stay at the forefront in our sector, for example through our 3D-reef printing (see page 18).



Community engagement

Sometimes our projects are located where they interact with local communities.

In many cases our presence creates a positive socio-economic impact through local job creation, procurement or community investment. Where we can, we seek to enhance the positive impacts of our projects. At the same time, we pay close attention to potential adverse impacts on communities from our activities. In most cases, our sustainability approach is guided by an Environmental and Social Impact Assessment (ESIA) and in all cases it is in line with our General Code of Business Conduct. Read more on our approach to working with communities on page 26.



OUR APPROACH TO CORPORATE SUSTAINABILITY AND RESPONSIBILITY

Sustainability at Boskalis goes beyond managing our business and projects in a responsible manner. We seek to leverage our ability to influence and innovate, to create added social, environmental and economic value where we can. Our approach is framed in our General Code of Business Conduct, which is based on international guidelines and the Universal Declaration of Human Rights. We endorse the principles of the International Labor Organization and the OECD Guidelines for Multinational Enterprises.

In order to integrate sustainable practices into our business, we develop and improve processes to manage our material environmental and social impacts and opportunities. For instance, through our Way of Working (WoW) quality management system, launched company-wide in 2017. The system provides a consistent approach to bring operational excellence – in areas including health and safety, environment and social responsibility – to our projects. In 2018 we worked to further integrate sustainable practices into WoW. Our Wave Jump Innovation Challenge, established as the 'Boskalis Innovation Challenge' in 2015, continued in 2018 to inspire sustainable innovation throughout the business, with several new innovations expected to be launched in 2019. Our long running No Injuries No Accidents (NINA) safety program and environmental management system remain a core part of our approach to deliver safe and environmentally sound operations around the globe. All key Boskalis business units are ISM, ISO 9001, ISO 14001 and OHSAS 18001 certified, or

INPUT

IMPACT ON LOCAL COMMUNITIES

- Stakeholder engagement
- Community investments
- Social Impact Program
- Operating around the world

IMPACT ON THE ENVIRONMENT

- Natural resources
- Energy
- Environmental expertise

CARE FOR OUR PEOPLE

- NINA
- Talent management
- 5,912 employees
- Engineering expertise

BUSINESS CONDUCT

- Codes of Conduct
- Business principles
- Boskalis Way of Working

FINANCIAL CAPITAL

- 900 vessels
- Strong balance sheet
- Funding (shareholder equity & debt)

BOSKALIS BUSINESS

MISSION

Leading dredging, offshore and marine experts



STRATEGY

Focus
Optimize
Expand

OUTCOME

IMPACT ON LOCAL COMMUNITIES

- Local development
- Long-term relationships
- Partnerships

IMPACT ON THE ENVIRONMENT

- Biodiversity and ecosystems
- Emissions
- Climate change adaptation

CARE FOR OUR PEOPLE

- Health & Safety
- Sustainable employability
- Fair labor practices

BUSINESS CONDUCT

- Responsible business conduct
- Responsible sourcing

FINANCIAL CAPITAL

- Dividend
- Taxes
- Market capitalization

VCA for Dutch operations. A list of relevant certifications can be found in the appendix on page 71.

Each project we take on is unique and requires tailor-made solutions. In most cases, our sustainability approach is prescribed by an Environmental and Social Impact Assessment (ESIA). Where an ESIA is not available, we follow our General Code of Business Conduct and our approach to potential adverse impact (page 63). This is done by way of our own environmental and social management processes. In 2018 we further focused on strengthening our social management processes to account for the increasing complexity of our projects in relation to local communities (see page 27).

THE WAY WE REPORT

This report marks our 10 year anniversary of reporting on our CSR performance. The report is based on the guidance of the Global Reporting Initiative (GRI) and focuses on communicating the key sustainability challenges and opportunities we at Boskalis face and the many ways we are responding to them. Together with our Annual Report 2018 we aim to fulfill our responsibilities with respect to the Dutch Besluit "bekendmaking niet-financiële informatie". You can read more about our reporting scope and disclosures on pages 58 and 59. The Boskalis Annual Report 2018, which is published together with this report, covers our economic and operational performance.

We report on topics based on the 2017 materiality analysis, which defines the sustainability topics that are most relevant to Boskalis and our stakeholders. We carry out a materiality analysis every two years, and a management review every year. Read more about our materiality assessment process on page 62. Our most material issues are related to health and safety, the impact on biodiversity and ecosystems emissions, local development, economic performance, and responsible business conduct.

ENGAGING WITH OUR STAKEHOLDERS

We believe that engaging our stakeholders on sustainability issues and opportunities benefits our business and our ability to act in a responsible manner. Entering into dialogue with both our external and internal stakeholders enables us to acquire a clear understanding of their expectations and interests and allows us to establish and better understand material CSR topics. Whilst we have a wide range of stakeholders, we see our key stakeholder groups as being: employees; clients and their respective project communities; suppliers and subcontractors; NGOs and civil society organizations; investors and shareholders. For each group, our engagement varies on a case-by-case basis and includes formal and informal channels that are used to varying degrees of regularity. On pages 66 and 67 we have listed the stakeholder groups and summarized the channels we use to engage in dialogue with them, alongside key topics discussed in 2018.

IMPACT

Services that contribute to a safer, healthier and more prosperous local community

A positive contribution to economic growth and job creation

Projects that reduce negative and enhance positive biodiversity impacts

Contributing to clean energy through our renewable energy projects

Limiting the consequences of climate change through our coastal defense and riverbank protection projects

A safe and inspiring work environment with skilled and engaged employees

Satisfied clients

Long-term sustainable profit

A further explanation of the impact, both adverse and positive, please refer to the chapters on Environment, Local Communities, People and Business Conduct.

THE BOSKALIS VALUE CREATION MODEL

This model is a schematic overview of the value we create over time.

Input

We use the input in the execution of our strategy. The four material themes are the backbone of our CSR report. The fifth (financial capital) is presented in our Annual Report.

Boskalis business

Our market-facing divisions – Dredging & Inland Infra, Offshore Energy and Towage & Salvage – execute our business strategy based on our company culture and its core values: professionalism, entrepreneurship and teamwork.

Outcome & Impact

The outcome and impact of our business model in terms of CSR correspond to the topics most relevant to our business as identified in our materiality process.

OUR BUSINESS IN A CHANGING WORLD

We live in an increasingly dynamic and interconnected world. In order for businesses to generate long-term sustainable profitability, they need to account for the effect of global megatrends. To ensure we can continue to deliver in this context, our corporate business plan is drawn up with a clear eye on those long-term megatrends that offer both challenges and opportunities for our business.

FOR BOSKALIS THE MOST RELEVANT MEGATRENDS ARE:

- **Climate change** – Climate change issues have risen up the agenda, partly as a result of the Paris Agreement (COP21). These issues are compelling governments on several continents to take steps to protect their populations against flooding and rising sea levels as well as to reduce greenhouse gas emissions.
- **Growing energy consumption** – As energy demand continues to rise, new investments are needed to meet future demand and driven by climate change a transition to renewable energy sources is accelerating.
- **Growing world trade** – Structural growth and rising prosperity of the global population is driving a growth in global trade and increasing the need for associated infrastructure and development.
- **Population growth** – Underpinning the above, in particular growth of the world trade and energy consumption, is the growth in global population which is projected to rise to 8.5 billion by 2030.

CLIMATE CHANGE ADAPTATION AND PROTECTION FROM RISING SEAS

With half the population living within 60 km of the coast and with 75% of major cities worldwide located on the coast, the pressure on available land is huge. Furthermore, many of these coastal regions are at risk from the effects of climate change.

The World Bank and the Intergovernmental Panel on Climate Change (IPCC) have warned that large investments are needed to mitigate climate change, with adaptation costs estimated at a startling USD 85 billion per year. Our core business, including coastal defense and riverbank protection activities, enables us to provide innovative, adaptive and mitigating solutions to combat the impact of climate change. In 2018 we were active in numerous projects related to climate change adaptation. Our work included the reinforcement of large sections of the dikes along the Wadden Sea, and the Markermeer and Houtrib dikes in the Netherlands. We worked on a number of innovative projects including a mangrove restoration project in Central Java, Indonesia, to protect communities from rising sea levels, an extensive polder creation in Pulau Tekong, Singapore and the construction of a natural sandbar breakwater at Lekki in Nigeria.

We research and develop innovative modelling processes, as well as infrastructural solutions that respond to a changing natural environment. Our Building with Nature approach facilitates the design of adaptive and flexible solutions. Already used in the realization of several projects, Building with Nature enables us to build cost-effective, sustainable infrastructures, including natural barriers to rising sea levels. Furthermore, we are proud to utilize our assets and expertise to build areas of value to biodiversity, such as in the Marker Wadden. Read more about Building with Nature on page 16.

	Dredging & Inland Infra	Offshore Energy	Towage & Salvage
Climate change	●	○	○
Growing energy consumption	◐	●	●
Growing world trade	●	◐	●
Population growth	●	○	○

Boskalis business drivers and related activities

ENERGY INFRASTRUCTURE AND PREPARING FOR THE ENERGY TRANSITION

The scale of the energy infrastructure challenge is very large indeed. The International Energy Agency estimates USD 44 trillion is required in new energy supply infrastructure in the period to 2040. While an annual expenditure of USD 45 billion is required to address UN Sustainable Development Goal 7 and deliver affordable, sustainable and reliable access to modern energy services.

At Boskalis we facilitate the development of energy infrastructure and can contribute to the global goal to enable access to affordable, reliable and modern energy for all. We are part of the energy transition, driven by the need to reduce energy related carbon dioxide (CO₂) emissions to limit climate change, as set out in the Paris Climate Agreement. We see our role both in terms of our approach to energy consumption and innovation for renewable fuels, as well as through the delivery of services to the renewable energy sector: in particular offshore wind.

By creating cost-effective, infrastructural wind farm solutions, we are helping to achieve low-cost energy projects and to make renewables more attractive to clients and consumers. As one of the leading players in this market, we will keep expanding our role: by providing an even broader range of services for increasingly complex projects with ever-larger turbines. In combination with our cable-laying capabilities, we offer integrated solutions for the development of offshore wind farms that comply with strict European and international industry standards. In 2018 we were active in a large number of renewable energy related projects. Noteworthy projects included cable works for the Hohe See Offshore Wind Farm in Germany and the Arkona Offshore Wind Farm in the Baltic Sea. We also powered the large trailing suction hopper dredger, Prins der Nederlanden, with a biofuel blend on the Borssele offshore wind farm project, resulting in a substantial CO₂ reduction.

The energy transition is driving growth in renewables, but the change is slow. The current reality is that, in line with a growing population, energy demand is rising, whereas renewables are not yet able to meet that need. According to the International Energy Agency, in 2017 energy demand grew by 2.1% and of this growth around 70% was met by oil, natural gas and coal. Dependence on fossil fuels is expected to remain and absolute fossil fuel volumes are predicted to grow in the short term. We therefore continue to foresee our role in the provision of services for all types of energy infrastructures. In 2018 we contributed to several significant fossil fuel related projects including the record-breaking transport of a 90,000 ton FSPO by the BOKA Vanguard from China to Brazil, the dredging and excavation works for the Turkstream gas pipeline and the rock installation for the Nordstream 2 gas pipeline.

INFRASTRUCTURE FOR GLOBAL TRADE

According to the World Bank, infrastructure services are the backbone of development – they support essential services required to meet economic and financial, social and environmental objectives. In particular, the building of trade-related infrastructure in developing and least-developed countries is recognized as a key element to help accelerate progress towards achieving the Sustainable Development Goals.

At Boskalis we are active in the construction and development of ports, access channels, energy infrastructure and roads around the world and our business activities are an enabler to economic development and improved trade potential in the places we work. Our presence at a project location creates jobs, training opportunities, local procurement and economic input through taxes. When we work on projects our activity is usually temporary, but the impact of our services through, for example, knowledge transfer or increased trade potential bring long term benefits. In 2018 we were active in a large number of trade infrastructure related projects. Noteworthy projects include the construction of port infrastructure in Duqm, Oman, the deepening of the Nieuwe Waterweg waterway and Botlek area in the port of Rotterdam and the contraction of the Greenfield port and access channel in Lekki, Nigeria.

In addition, we are an active partner in The Flying Swans, a collaborative initiative to develop sustainable projects that combine socio-economic development with trade in overseas markets. We have been involved with this initiative since 2013 and we continue to contribute our knowledge and expertise, in particular on: innovative engineering, customized port solutions and sustainable design and construction. Our aim is to contribute to socio-economic development, whilst also acquiring insights into market demand and infrastructure needs which we can use to benefit our business.

POPULATION GROWTH

According to a recent United Nations report, the global population is projected to rise to 8.5 billion by 2030 and to 9.8 billion in 2050. A growing population underpins the other drivers of our business; climate change, world trade and energy consumption. It influences the long term trends in the geographic distribution of our markets as well as nature and conditions of the available labor force. A growing population will also increase pressure on space, natural resources and impact on the environment.

To contribute in a sustainable manner, it is important we manage our business in a responsible way. You can read more about our approach to managing social and environmental impacts in the respective chapters of this report.

MANAGING OUR IMPACT ON THE ENVIRONMENT



As a leading dredging and offshore contractor, we are keenly aware of the importance of a healthy environment and know that reducing and mitigating our environmental impact is essential to improve and maintain the health of our oceans, rivers and wetlands. We focus our efforts on managing the negative and enhancing the positive environmental impacts of our projects and on developing technical and infrastructural solutions that enable us to do so. This section describes our material environmental issues, impact on biodiversity and emissions, and how we respond to these.

RISKS & DILEMMAS

- We have no or very limited influence on infrastructure investment decisions
- Some clients focus on price as sole selection criteria
- In the absence of regulations, voluntary use of costly alternative environmentally friendly fuels creates a competitive disadvantage, unless clients are prepared to pay a premium

OPPORTUNITIES & GOALS

- Protect ecosystems through Building with Nature approach
- Facilitate renewable energy through wind farm-related activities
- Apply environmentally friendly fuels and energy-saving schemes
- Provide flood defense through coastal and riverbank protection activities
- Contribute to cleaner environment through salvage and wreck removal operations

KPIs

- Support for Building with Nature program
- Number of Building with Nature projects
- Energy-saving measures and pilots
- Reporting on CO₂ emissions
- Assistance to vessels in distress

RESULTS

- Building with Nature program EUR 500,000
- Seven Building with Nature projects
- Biofuel contract with GoodFuels and energy reduction ambition in the Netherlands
- Scope 1 and 2 CO₂: 1,180 MT('000)
- Various salvage activities on pages 44 and 45 in the Annual Report



BIODIVERSITY AND ECOSYSTEMS

OUR IMPACT AND MANAGEMENT APPROACH

Depending on the locations and type of work, our projects can disturb, relocate or remove habitats and species. The most common and potentially significant impacts are as a result of water turbidity, habitat loss, underwater noise, the spread of invasive species and pollution from waste and effluents. We aim to avoid, reduce or mitigate such effects. Every project we work on is unique and requires us to apply project specific solutions.

In most cases, our approach to environmental (and social) management is prescribed by an Environmental and Social Impact Assessment (ESIA). Where an ESIA is not available, or does not meet project level environmental requirements, we follow our General Code of Business Conduct and our approach to potential adverse impact (page 63). Examples of the measures we take to help avoid or reduce the impact of our activities on biodiversity and ecosystems, are given on the opposite page.

BUILDING WITH NATURE

The approach we offer our clients through our Building with Nature program goes beyond compliance. Launched in 2008, it provides a design philosophy that integrates natural systems into hydraulic engineering design. Building with Nature enables us to preserve or even strengthen environmental assets and economic benefits. Ten years on, it has proven its effectiveness in nature-based flood defenses and eco-system restoration projects around the world.

The dynamic Building with Nature approach makes it adaptable for every setting and allows it to be used together with other risk reducing measures. The Building with Nature program is carried out by the EcoShape consortium, in whose core team we are represented. Partners in the program include academia, research initiatives, competitors, consultancies, NGOs and public authorities.

COLLABORATING ON MANY LEVELS

To help us stay at the forefront of environmental management we have a number of task forces in place: for example, in the areas of ballast water management and eco-engineering. These task forces are chaired by a member of the Boskalis Board of Management and include senior leadership and environmental experts who meet up on a regular basis. They collaborate with external parties such as the International Maritime Organization (IMO), the International Association of Dredging Contractors (IADC), the European Dredging Association (EuDA), the International Marine Contractors Association (IMCA) and the Dutch branch organization *Vereniging van Waterbouwers*. We are also involved in a number of cross-sector partnerships, through which we contribute to a diverse scope of environmental initiatives. These include our cradle-to-cradle chains for worn impellers, dredging pumps and pick points in partnership with Van Voorden, Vosta, Allard-Europe and Magotteaux. This year nearly 1000 metric tonnes of scrap material was recycled through this initiative.

TAKING CARE OF NEW ZEALAND'S PRISTINE WATERS

This year, our adaptive management approach enabled us to comply with stringent environmental on regarding turbidity, for the capital dredging of the entrance channel to the Port of Lyttelton in New Zealand. We supported the client from the outset of the project to help design a management plan to ensure compliance. Although it was calculated that we would remain well within the limits set, challenging local circumstances posed a real risk that we might exceed the permitted turbidity levels.

Our capabilities in real-time turbidity monitoring enabled us to adapt our working methods where necessary, while achieving maximum efficiency in terms of dredging volumes. But, turbidity was not the only environmental sensitivity on this project as the potential presence of marine mammals was a concern.

Therefore, we trained our bridge crew in marine mammal observation and had them record sightings to help us better understand animal behavior around our dredgers. The skillset of the team and transparency towards the client regarding our working methods meant the project was delivered successfully within the required limits.

APPLYING THE CONCEPTS OF CIRCULAR ECONOMY IN THE PORT OF LEKKI

As part of this greenfield port project in Nigeria, we constructed a 700-meter-long sandbar breakwater. The original design called for the entire breakwater to be built from rock, which would have required more than two million tons of rock, at considerable cost and with a potential environmental and social impact. In this project, we were able to review the options and propose our alternative, sustainable approach to build the breakwater using the mainly local sand, abundantly available in the area. Not only was this more cost effective, it meant a reduction in truck movements of around 80% compared to the construction of the conventional rock breakwater. This considerably cut back the potential impact on both the environment and the local community. In addition, over time, natural strengthening of the sandbar breakwater will take place as a result of normal sand transport along the coast. The sandbar breakwater is adaptable to new developments and changing environmental conditions, including those resulting from climate change.

POTENTIAL ADVERSE IMPACTS

TURBIDITY

Our activities can create a sediment plume. The reduced light penetration and sedimentation may impact sensitive species or habitats in the footprint of the plume.

HABITAT LOSS OR DISTURBANCE

Dredging, land reclamation or installation of offshore structures typically removes or disturbs the seabed habitat or species living in and around the project footprint.

SPREAD OF INVASIVE SPECIES

Many of our ships carry ballast water to improve stability and balance. The discharge of ballast water can be associated with the introduction of invasive species, that may impact the natural ecosystem and affect biodiversity.

WASTE AND EFFLUENTS

Our activities produce waste as well as have the potential to release polluting effluents, such as fuel, to the environment.

UNDERWATER NOISE

Marine mammals can be sensitive to disturbance by underwater noise generated by our activities.



ENVIRONMENTAL MANAGEMENT OPTIONS

EVALUATION OF ENVIRONMENTAL RISKS

We study the situation and environmental sensitivities to determine the project-related environmental requirements. Each project is different due to its unique situation, legal framework and design.

OPTIMIZE OUR WORK METHOD

We design a work method that meets environmental project-related requirements and draw up an Environmental Monitoring and Management Plan (EMMP).

ADAPTIVE MANAGEMENT

During project implementation we monitor our environmental performance using in situ measurements and ecosystem receptor responses. We adapt and optimize our working methods as needed, to ensure compliance.

ENHANCE ENVIRONMENTAL OPPORTUNITIES WITH BUILDING WITH NATURE

On certain projects we can incorporate sustainable design solutions into the project from the earliest (tender) stage. This includes going beyond legislative requirements and interacting with partners, and environmental-, design- and engineering specialists, as well as stakeholders to create cost-efficient and risk- and impact-mitigating solutions.

BALLAST WATER MANAGEMENT

We ensure all our vessels comply with the Ballast Water and Sediments Convention which aims to minimize the spread of invasive species.

ENVIRONMENTAL TRAINING AND MANAGEMENT SYSTEMS

In addition to environmental management certifications for our businesses (see page 71), we organize environmental awareness training to ensure compliance with pollution prevention methods such as IMO MARPOL waste regulations, oil spill prevention, antifouling measures and sewage management. All our vessels over 400GT have a waste management plan.

TECHNOLOGICAL INNOVATION

We continue to invest in research to bring leading-edge solutions to clients seeking an environmentally sustainable project. We have brought several solutions to market that contribute to protecting biodiversity. These include: 3D printing of artificial reefs, the Plumigator that significantly reduces turbidity on dredging projects, a seagrass transplanter system and green valves for our hopper dredgers.

SUPPORTING LIFE IN OUR OCEANS WITH CUTTING-EDGE TECHNOLOGY



3D printed artificial reef unit approximately one year after installation, off the coast of Monaco.

Oceans cover almost three-quarters of our planet's surface area, making them Earth's largest habitat. They teem with life, playing host to millions of species. Of these, reefs are arguably the oceans' most fascinating yet fragile feature. Reefs in shallow coastal seawater support marine biodiversity, protect coastlines around the world by absorbing wave energy and encourage underwater tourism.

Coral reefs in particular are some of the most diverse ecosystems on Earth. Although the United Nations estimates that they cover less than 0.1% of the world's ocean area, the World Wildlife Fund notes they still they provide a home for at least 25% of all marine species. However, these reefs are also incredibly delicate.

Since reefs depend on a careful balance of nutrients and light in surrounding seawater to survive, small changes in water temperature or level can have a significant effect. Overfishing or physical disturbance from infrastructure development can also negatively impact these structures, as does sunscreen, the ingredients of which can be deeply harmful to marine life. In such instances, installing artificial reefs can help restore, fortify or preserve the marine environment.

In theory, artificial reefs can be built from almost anything; from concrete blocks or old shopping trolleys to decommissioned ships. However, in practice, placing a random foreign object underwater can have unforeseen consequences. Instead, researchers are increasingly seeking to tailor artificial reefs to their intended environments to make sure they cause as little disruption as possible.



“THE PILOT REEF IS ALREADY BEARING FRUIT – LITERALLY. UNDERWATER PHOTOGRAPHS SHOW THAT ALGAE, WORMS AND OTHER INVERTEBRATE SPECIES HAVE ALREADY MADE THEIR HOME ON THE REEF, AND FISH CAN BE SEEN SWIMMING IN AND AROUND THE STRUCTURE”

Sander Steenbrink
Director Research and Development, Boskalis

structures using material from local dredging projects, something Steenbrink points out could be included in future Boskalis projects.

The other advantage of the technology is its ability to match the underwater landscape. As inventor Enrico Dini explains, real reefs actually have quite textured, rough surfaces, to encourage the growth of marine flora and fauna. Unlike making a reef out of concrete, 3D printing can produce a similar rough surface and create tailored shapes with overhangs, undercuts and hiding places for marine creatures.

This specific feature is something that particularly appeals to Patrice Francour, Professor at the University of Nice, and the marine ecology specialist who worked with Boskalis to design the pilot reef structure. The design Francour proposed – a mushroom-like shape with fingers pointing up – aimed to meet the needs of local marine life. In future, Francour speculates, it may even be possible to suggest a specific type or design of 3D printed reef aimed at supporting specific marine species: a link he hopes to explore further.

The pilot reef is already bearing fruit – literally. Underwater photographs show that algae, worms and other invertebrate species have already made their home on the reef, and fish can be seen swimming in and around the structure. “We still need to quantify the results,” notes Boskalis’ R&D Director Sander Steenbrink, “but so far the development of the reef is really promising – it’s doing what we hoped it would do.”

As well as the benefits for marine wildlife, 3D printing artificial reefs could advance larger environmental goals. Francour points out that the production of traditional artificial reefs made from concrete has a high carbon footprint, whereas 3D printing using local or natural materials is likely to produce far fewer carbon emissions. Steenbrink also notes how, with climate change causing coastlines to erode and coral reefs to degrade, 3D technology could create new structures that shore up natural ecosystems without further disrupting them.

The next big challenge will be scaling up the technology and bringing down production costs, so that 3D printed reefs can become more widespread. In the meantime, Boskalis is planning further pilot projects in the North Sea, off the coast of Indonesia, and in the Caribbean Sea; all with a view to further testing how and where such reefs could be used. One leading environmental NGO has already begun implementing Boskalis’ 3D printed reefs as part of its programs.

We see there is a demand for tailored, non invasive solutions that can encourage marine life to flourish. This is exactly what 3D printing reefs has the potential to do – so watch this space to follow a journey that is only just beginning.

This is where 3D printing – once the stuff of science fiction – comes into its own. In November 2017, six 3D printed artificial reef units were installed off the coast of Monaco, as part of a joint pilot project led by Boskalis, the Prince Albert II Foundation and the Monaco Association for Nature Protection (AMPN).

This was made possible thanks to technology created by inventor Enrico Dini, whose D-Shape 3-D printer uses a layer-by-layer printing process to bind sand with a marine safe binder in order to create stone-like objects. Dini produced his first 3D printed reef in 2010, working with architect James Gardner and the Director of Sustainable Oceans International, David Lennon, to deliver a first prototype. While Dini and Gardner were honing their prototype, the idea of 3D printing artificial marine reefs was already on the table at Boskalis. R&D Director Sander Steenbrink explains the appeal of the technology as allowing the company to advance its sustainability efforts by reproducing “a complex process using natural materials.”

In fact, while the Monaco pilot reef was produced using inert Dolomite sand, it could ultimately be possible to produce such

REDUCING EMISSIONS



BOKA Vanguard sailing on for the Johan Sverdrup Field.

OUR IMPACT AND MANAGEMENT APPROACH

Climate change and its consequences are increasingly urgent topics for society and our sector to address. At Boskalis, we contribute to greenhouse gas emissions mainly through our fleet operations, which account for around 99% of our Scope 1 and 2 CO₂ footprint. In 2018 this totaled 1.18 million MT. Whilst this is a small fraction of the total annual global shipping emissions of approximately 1,000 million MT, we want to take responsibility for our share. This year we established our CO₂ emissions reduction program as a step to ensure our fleet and operations are compliant with the IMO emission reduction target for maritime transport (50% by 2050 relative to 2008). The program will also follow innovations that offer commercial solutions for our clients that go beyond compliance, for example through the use of biofuel.

MEASURING OUR CO₂ FOOTPRINT

Measurement of our CO₂ footprint is central to our ability to manage and ultimately reduce it. In the past years, we have looked to improve data quality through the introduction of a specific CSR data reporting system and associated reporting processes. This year we have further focused on understanding and analyzing our CO₂ performance, so we can target areas for improvement. Our focus in the coming period will be to develop a method by which we can accurately calculate and report CO₂ efficiency across our diverse business.

FOCUS ON EFFICIENCY

In addition to measurement, we take action by implementing fleet efficiency improvements. This has the dual benefit of reducing fuel cost as well as carbon emissions. We do this through several initiatives, including:

- Sustainable and energy-efficient design of our new-build ships and optimization of ships' trim.
- Applying technical, operational and data-driven innovations, such as hull cleaning, better voyage planning, exhaust gas treatment technology and optimization of operations.
- Changing behavior and promoting awareness amongst staff and crews, for instance by way of awareness programs and our Ship Energy Efficiency Management Plan.

CO₂ EMISSIONS IN 2018

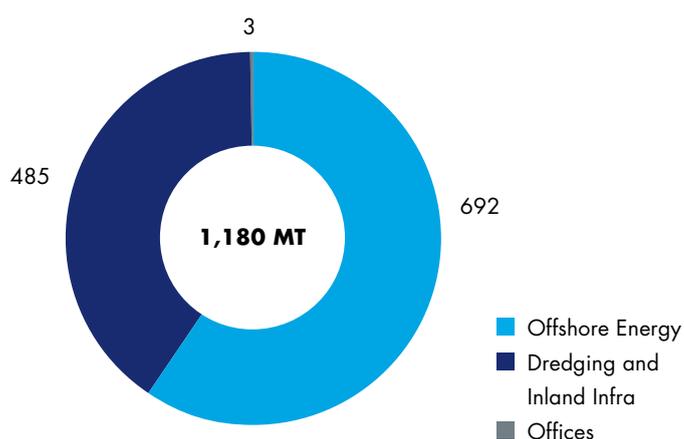
In 2018 total Scope 1 and 2 CO₂ emissions of the group amounted to 1.18 million MT (2017: 1.22 million MT). We measure and report on the fleet's total CO₂ emissions based on fuel consumption. In 2018 we recorded a slightly lower total Scope 1 (1.18 million MT) CO₂ emissions compared to 2017 (1.22 million MT). The emissions from our offices remains the same. The decrease in Scope 1 emissions is mainly due to changes in our Dredging and Infra operations, which is reflected in a CO₂ emission decrease of approximately 11%. The fuel consumption and therefore CO₂ emissions from our fleet, in particular the dredging fleet, are influenced by several variables

including the number of operational days, the type of vessel and fuel, project nature, location and sailing distance. For example, one of our large hopper dredgers, the Fairway, recorded more operational days in 2018 compared to 2017, but less fuel use and CO₂ emissions. This is because the work carried out by this vessel in Indonesia in 2018 required less power compared to the project carried out in India in 2017, resulting from differences in the nature of the seabed. Changes in project conditions for our large dredgers, which represent around 30% of our emissions, can therefore significantly influence our total Boskalis CO₂ footprint.

For Offshore Energy, CO₂ emissions have increased slightly (0.69 million MT) in comparison to 2017 (0.67 million MT) mainly related to an approximate 20% increase in operational days of the existing fleet. Furthermore, the addition of new vessels to the fleet (Boka Atlantis, Da Vinci, Gardline) led to an increase of the fuel consumption, especially the consumption of MDO/MGO and associated emissions. The increased MDO/MGO consumption can be attributed to commencing use of the Bokalift1 and a higher utilization rate of vessels within Emission Control Areas, especially from our Heavy Transport Vessels.

We do not report the emissions from Towage as this business has been incorporated in joint ventures since 2016. The emissions from our Salvage operations are not reported in our Scope 1 and 2 CO₂ emissions, as we rely on third party assets for these services.

2018 SCOPE 1 AND 2 CO₂ (Metric Tons '000)



SUSTAINABLE MARINE BIOFUELS

Over the past years, we have been exploring the use of cleaner fuels in our vessels and equipment. In addition to the significant reduction in emissions, biofuels have a number of major advantages for shipping: high energy density, easy storage and transportation, and ease-of-use in conventional diesel engines. Moreover, it is possible to mix them with fossil fuels. Because the existing infrastructure can be used for biofuels, the introduction of such fuels is relatively easy to carry out, without requiring costly

fleet renewal or retrofitting. In addition, the possibility to use lower-cost, blend biofuels, will enable us to create economically viable solutions. The timeline on pages 22 and 23 illustrates the key milestones in our journey to accelerate the development and uptake of cleaner and more efficient fuels. We expect that, as biofuels become available in larger volumes at lower prices, they will become a competitive, sustainable alternative to fossil fuels.

CUTTING BACK ON OTHER AIR POLLUTANTS

Whereas the reduction potential in CO₂ emissions when using biofuels is significant (depending on biofuel % blend), the reduction potential for Nitrous Oxides (NO_x) and Sulfur Oxides (SO_x) is lower. This is why we continue to closely follow developments that will enable a further reduction in these types of emissions. This year, we started a pilot with fuel water emulsion technology in combination with a catalytic converter on one of our hopper dredgers to cut back NO_x, Particulate Matter (PM) as well as CO₂ emissions. The results of this pilot are expected in 2019.

CO₂ REDUCTION IN THE NETHERLANDS

The CO₂ Performance Ladder is a tool used by Dutch government agencies and businesses to recognize performance in the areas of energy and materials efficiency and renewable energy. Certification is asked in many tender evaluation processes. In 2018, we once again received the highest-level certification for Boskalis business units in the Netherlands. Furthermore, in our activities in the Dutch market, we have set an ambition to reduce our CO₂ footprint of our own equipment by 35% on local projects by 2022.

ENERGY-EFFICIENT BUILDINGS

Energy-efficient offices and warehouses help us to further reduce our CO₂ footprint. In line with the targets of the EU Energy Efficiency Directive, we aim to have energy-neutral offices and warehouses in the EU by 2050. As a good starting point, we began construction of a new central distribution center in Vlaardingen in 2018. The building will be self-sufficient in terms of energy: even supplying energy back to the grid.

In addition, we continue to structure and optimize the energy management systems of our Dutch offices and warehouses and put in place sustainable and energy-saving measures. Since the implementation in 2016 of the Energy Management System (EMS) for our Dutch offices and warehouses, we use electricity generated from wind energy – with zero CO₂ emissions – for all our offices in the Netherlands. The CO₂ Performance Ladder (level 5) and our BREEAM-In Use certification, that was successfully extended to 2020, form an integral part of the EMS. EMS remains an ongoing progress, the results of which are reported to the relevant authorities and the Boskalis Taskforce Energy Management.

OUR JOURNEY TOWARDS CLEANER FUELS

From dialogue with suppliers in 2011, to offering proven solutions for our clients in 2018, our journey towards cleaner fuels has been successful, but there is still lots more to do to scale this solution.

2011 ■

FRAMING THE CONCEPT

We invited a selection of our most important suppliers to structurally expand the dialog on sustainability during a series of 'Meet the Buyer' sessions. One of the outcomes of these meetings was the idea for potential use of cleaner fuels.

In addition to an excavator testing project, we became the first shipping company to use GTL (Gas-to-liquid) fuel in the propulsion system of a tugboat, the Smit Elbe, which operated in the port of Rotterdam. It enabled some NOx reduction and significant Particulate Matter reduction without hardware modification.

Together with our suppliers, we further explored biofuels as a way of reducing emissions, without capital-intensive fleet renewal or retrofitting.

We established a partnership with SkyNRG to create volume in the Bio(Jet)Fuel market – as part of which we were the first to use a 30% biofuel blend in our sand dumping trucks.

PROVING THE TECHNOLOGY

We formalized a partnership with GoodFuels (successor SkyNRG for Marine market) and Wärtsilä to begin a two-year pilot program with the aim to accelerate the development of sustainable, scalable and affordable drop-in marine bio-fuels.

The lab testing program, which took place at the Wartsila premises in Finland, was completed.

We successfully tested drop-in biofuel (Hydrotreated Vegetable Oil (HVO)) on the Willem van Oranje trailing suction hopper dredger vessel.

On the Marker Wadden project we performed dredging work for six months using a biofuel blend made out of lignocellulosic waste streams of up to 50%

Our 2 years of testing and sea trials demonstrate that drop-in biofuels can lead to an impressive reduction in CO₂ emissions - of up to 90% compared to fossil fuels, and are also much more effective than alternatives such as liquefied natural gas (LNG) to reduce the CO₂ emissions.



→ 2018

2019 and beyond

BRINGING SOLUTIONS TO MARKET

We can offer our clients the choice of lower emission within their projects through the selection and use of biofuels.

We powered the large trailing suction hopper dredger 'Prins der Nederlanden' with a biofuel blend, resulting in a substantial CO₂ reduction for the realization of the Borssele offshore wind farm project. On the Uburg project we powered dry earth moving equipment and vessels using biofuel.

We launched a large-scale experiment on board of the trailing suction hopper dredger aimed at reducing carbon emissions by applying fuel water emulsion in the main engines.

The first LNG-powered harbor tugs in southeast Asia entered into service at Keppel Smit Towage.

We signed a long-term agreement with GoodFuels for the purchase of drop-in quality, sustainable biofuel.

SCALING UPTAKE

Whilst we have proved the concept to date, biofuel has been used on only a handful of projects. In order to create the impact reduction that is needed, we will increase efforts to market low emission fuel options to our clients, with the aim to increase the cost effectiveness and use of marine biofuels in our projects and reduce CO₂ emissions.

Growth of the 'Boskalis on Bio', program which is aimed at achieving a 35% reduction in the CO₂ emitted by Boskalis in the Netherlands by 2022.

Looking to the future, we will also continue to actively follow developments regarding other viable, cost-efficient and sustainable fuel alternatives, such as hydrogen.

2018 ENVIRONMENTAL HIGHLIGHTS



DECARBONIZING DISTRIBUTION

A new sustainable central distribution center for internal clients commenced construction in Vlaardingen, the Netherlands. This new center not only offers logistical efficiencies, which will have a positive consequence for transport emissions, but importantly meets its own energy needs through solar panels installed on the roof. We will actually produce more energy than we use and supply power back to the grid.

REEFVIVAL

Following the successful installation of six 3D-printed artificial reef units in the Larvotto Reserve in 2017, this year, in collaboration with the University of Nice, we monitored their ecological performance. We have been exploring the possibilities of upscaling our 3D printing technology to other locations. In this context, we printed reefs for a global environmental NGO to ecologically enhance the seabed in the North Sea.

EXCHANGING KNOW-HOW ON SUSTAINABILITY

In order to ensure our knowledge is available to the engineers of the future, we share our experience with our sector, universities and higher vocational colleges. In 2018, for the third year running, Delft University of Technology, with contributions from Wageningen University & Research, offered a Building with Nature Massive Open Online Course (MOOC).

CONNECTING RENEWABLE ENERGY IN A SUSTAINABLE WAY

In 2018 we began work on TenneT's Borssele Alpha project export cable. To contribute to TenneT's sustainability ambitions we are running our vessels on a biofuel blend of up to 30 per cent. This means a more sustainable realization of this renewable energy project connecting the offshore wind farm with the Dutch high-voltage grid.

THE MOST SUSTAINABLE ROAD IN THE NETHERLANDS

2018 saw us begin work to build the most sustainable road in the country. We will be using innovations, including the generation of renewable energy that will compensate for the carbon emissions from the construction and maintenance work.

THE OCEAN CLEANUP

2018 saw the placement of a fully-fledged prototype barrier in the Pacific garbage patch in September. Once again this year, through sponsorship-in-kind, we supported the Ocean Cleanup in its challenge of cleaning the ocean's plastic soup. As the first results were measured, we continued to support the organization to adapt the system to maximize efficiency.

USING NATURE FOR COASTAL PROTECTION

In collaboration with value chain partners and as a direct result of our work with EcoShape on the restoration of mangrove forests in Indonesia, a major study was conducted in the unique Deltares Delta Flume test facility in the Netherlands. The project has acquired knowledge of the practical and large scale application of vegetation in flood risk management projects.

BOOSTING INNOVATION IN THE GLOBAL MARITIME INDUSTRY

Boskalis extended its collaboration with PortXL, that is aimed at accelerating start-ups in the maritime sector. Other partners include the Port of Rotterdam, EY and Shell, amongst others. Our participation is focused on bringing our know-how to startups and supporting them in bringing their ideas to market. This year, in collaboration with Van Oord, we carried out a pilot with semi-dry scrubbers on our vessels to reduce fuel costs and cut SOx emissions to levels compliant with International regulations. The patented technology that requires no structural modifications has been developed by a PortXL start-up.

We also took steps to be able to include another PortXL innovation in our tenders: ECOcrete. This high-performance precast concrete is a perfect match for our Building with Nature approach, as well as our artificial reef initiative: it enhances marine and coastal infrastructure by inducing the formation of marine habitats, while providing excellent functional and structural properties.

WAVEJUMP INNOVATION CHALLENGE

The Boskalis WaveJump innovation program continued in 2018, focused on stimulating a mindset of continuous innovation within our company. We've added an acceleration program to our approach, which provides support and professional coaching to the winners, to be selected in 2019, to strengthen their chance of a successful implementation of their idea.

LOW COST NATURAL FLOOD PROTECTION

In 2018 we continued work on the reinforcement of the Houtrib Dike in the Netherlands. Our approach involves creating a sandy foreshore meaning the wave loads on the dike are absorbed, thereby avoiding the need to heighten the dike. This solution is not only ecosystem friendly, by introducing a gentler transition from land to water, but it is also more cost effective than a conventional dike upgrade.



MANAGING OUR IMPACT ON LOCAL COMMUNITIES





Engaging with and managing our impact on local communities is an increasingly important part of our work. In many cases our presence in a location creates a positive socio-economic impact through local job creation, procurement or community investment. Where we can, we seek to enhance these positive impacts through our community investments or our project management approach. At the same time, we pay close attention to potential adverse impacts on communities from our activities.

RISKS & DILEMMAS

- Availability of qualified local employees and suppliers
- We have no or very limited influence on infrastructure investment decisions
- Our leverage towards our client or government bodies may be limited

AIMS AND OPPORTUNITIES

- Provide employment to local employees with fair wages, good labor practices and respect for human rights
- Purchase goods and services from local suppliers
- Build infrastructure facilitating inclusive development and employment opportunities

KPIs

- Support community development and investment programs
- Support education and research
- Provide safety training for local hires

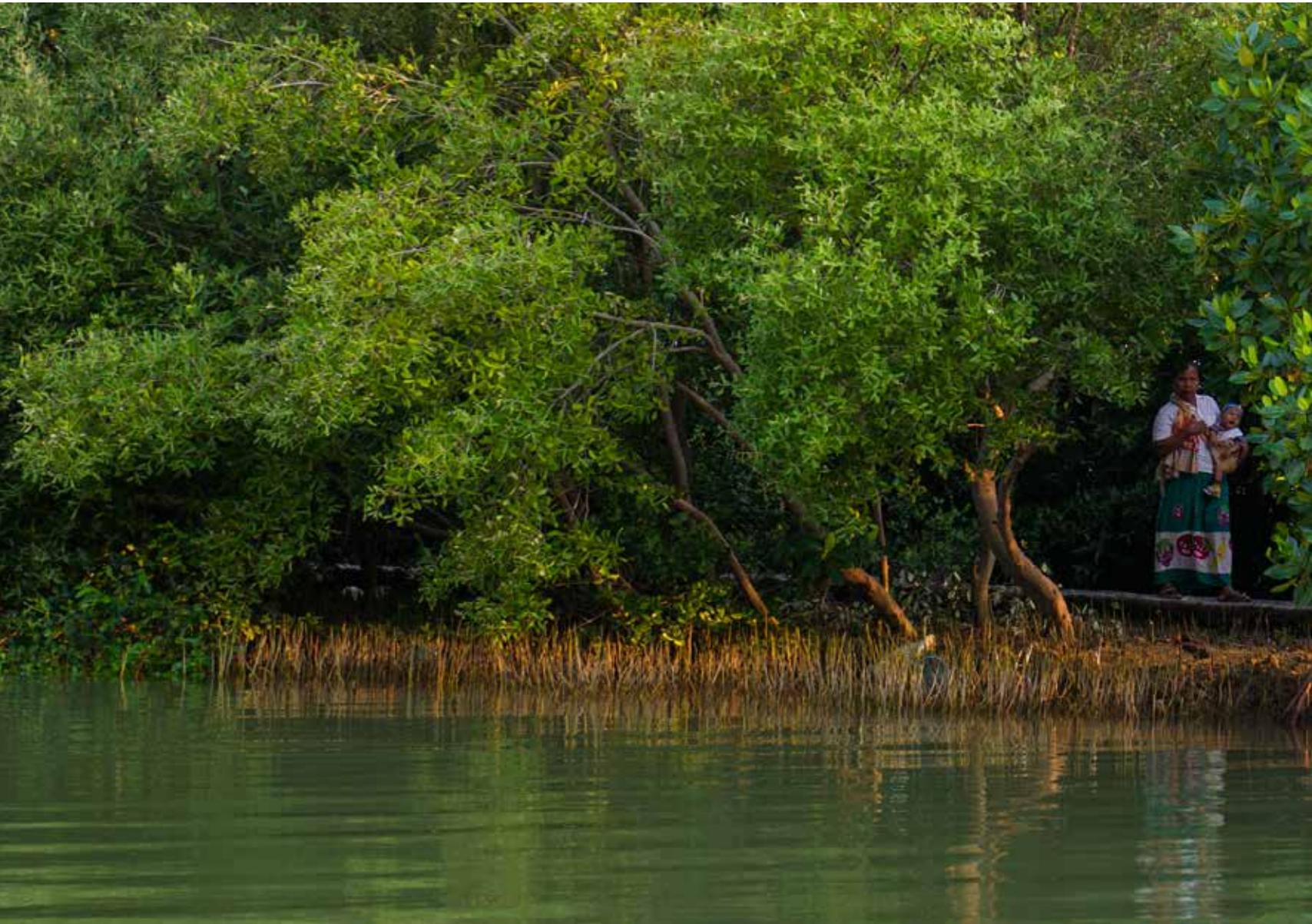
MANAGING SOCIAL IMPACT

When located in close proximity to local communities, our project activities can have a social impact. In many cases the potential social impact is limited, but in some cases the impact can be potentially significant – either positively or negatively. In most cases, our sustainability approach is guided by an Environmental and Social Impact Assessment (ESIA) and, in all cases, is in line with our General Code of Business Conduct (see page 50).

To help us apply these guidelines in projects we developed our Social Impact Program. The program increases internal awareness of social issues and provides a structured approach to manage project level social impact: for example, through social risk evaluation early in the project lifecycle. Although our influence on infrastructure investment decisions is limited, we believe responsible social management can be a catalyst for a mutually

beneficial collaboration with our clients, local communities and other stakeholders. Our program will continue to develop and be further integrated into our Way of Working quality management system over the coming years. But, we are already seeing positive results and feedback from clients.

Social risks potentially associated with our activities are mainly temporary and include disturbances for marine traffic, including fishermen and access to fishing grounds, onshore disturbance as a result of logistics and transportation and supply chain workforce welfare. The Social Impact Program integrates an assessment of social risks with a project-specific risk management or risk mitigation strategy. In this way, potential risks are managed right from the outset.



OUR SOCIAL IMPACT PROGRAM IS STRUCTURED AROUND FOUR CORE AREAS

SOCIAL RISK & OPPORTUNITY ASSESSMENT

Early identification of social risks and opportunities as part of the standard risk and opportunities approach, to create awareness and to support an effective social management strategy on project level.

STAKEHOLDER MANAGEMENT

Depending on the project profile and our role, we develop a stakeholder management plan based on the local stakeholder landscape. If necessary, the plan provides for a community liaison officer on site, who can inform and engage with local communities and supports stakeholder consultation processes executed by the client.

GRIEVANCE MANAGEMENT

Depending on the social risk-profile of the project, a community and/or worker grievance mechanism is put in place. This is used to channel grievances and complaints towards the appropriate entity for response and any necessary management action.

WORKER WELFARE

Providing a safe and healthy workplace for our employees and our local workers is essential. In addition to our NINA safety program, our social impact program guides our approach to worker management on our project sites. For example, local medical facilities are assessed at every project site and – where necessary – we set up a temporary clinic and hire medical staff.



LOCAL DEVELOPMENT

Whilst we work to properly manage adverse social impacts associated with our activities, we also work to stimulate positive impacts through local job creation, skills development and training, and procurement. Where applicable, we pay special attention to vulnerable groups in society or those that may be adversely impacted by the project.

CREATING LOCAL JOBS

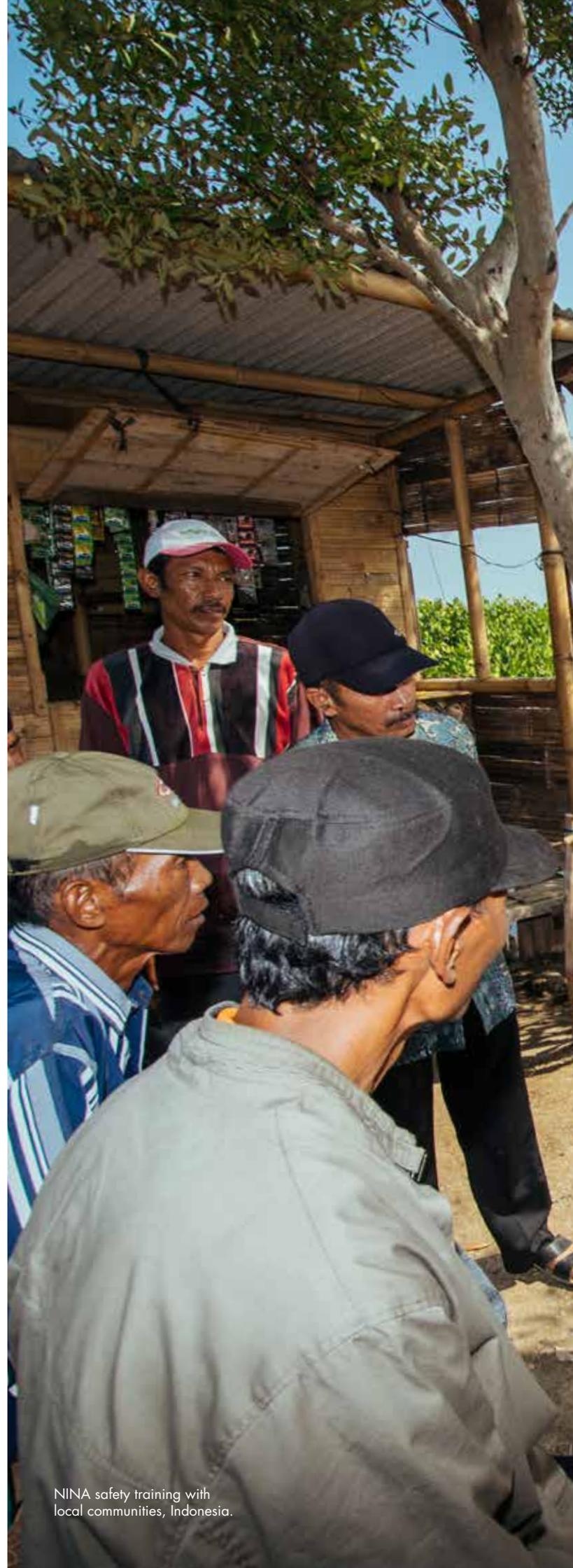
We integrate local content requirements into the execution of a project. We have built up significant experience in developing the necessary local skills and competencies to enable employment of a substantial percentage of local community members, and small and medium enterprises. Depending on the nature, size and duration of a project, we offer local jobs in a wide range of areas including skilled positions. The share of local employment on projects can be up to as much as 90%.

BUYING LOCALLY

We purchase goods and services from local suppliers whenever possible. Such goods may include fuel, food, facility consumables, construction parts for our equipment, safety products and equipment such as cars, trucks, bulldozers, cranes and small floating equipment.

MAKING LOCAL COMMUNITY INVESTMENTS

We believe that community investments should address real needs of society in the communities where we operate, while leveraging our business strengths and capabilities. For examples of our contributions in 2018 see page 32.



NINA safety training with local communities, Indonesia.



CONTRIBUTING TO COMMUNITIES AROUND THE WORLD

An illustrative selection community projects undertaken by Boskalis in 2018.

BUILDING EARTHQUAKE-PROOF HOUSES

Dutch-based social enterprise The Mobile Factory builds earthquake-proof houses from earthquake debris. We donated EUR 20,000 to this worthwhile initiative for the construction of 30 houses in a new village. In addition, we shipped two containers of building materials from the Netherlands to Haiti.



CREATING A SAFER ENVIRONMENT FOR CHILDREN

In one of the poorer neighborhoods of Bahía Blanca in Argentina, Boskalis donated EUR 6,000 to a pre-school for the construction of a wall and to carry out much-needed repairs to the school building. The wall around the play area prevents the children from going out on the road and strangers coming in. The work carried out means the school now offers a safe learning and playing environment.



SOLAR ENERGY FOR LOCAL SCHOOL

During the execution work for a new port and breakwater build in Lekki, Nigeria, and in collaboration with a local NGO, Development Africa, we installed solar panels to provide energy to a local primary school. To help create a safer and healthier environment for the school children, we also had the electrical wiring replaced and the borehole and water tank renovated. The total donation amounted to over EUR 15,000.

BOOSTING SAFETY AND SUPPORTING CHILDREN

There are many ways of promoting safety. One is using Safety Hazard Observation Cards (SHOCs). Workers in Nigeria and on our projects in the UK were encouraged to identify potentially hazardous situations and, in doing so, not only support worker safety, but a good cause as well. For every SHOC submitted, we donated to the local Golden Tulip Orphanage in Nigeria and a maritime heritage charity in the UK. Over EUR 2,000 was raised in this way.



- Offices
- Projects and operations

BOSKALIS BEACH CLEANUP TOUR

For the sixth year running, we are the main sponsor of the Boskalis Beach Cleanup Tour organized by the North Sea Foundation. In a period of two weeks, a record number of 2,764 volunteers collected around 11 tons of waste (including nearly 15 thousand cigarette butts!) along the full length of the Dutch North Sea coast. That is equivalent to the weight of around 8 mid-size cars!



HELPING EARTHQUAKE AND TSUNAMI VICTIMS, LOMBOK AND PALU

We donated EUR 20,000 to relief funds in Lombok and Palu. Funds were used to help local communities impacted by the devastating natural disasters. For instance, to help fishermen buy new nets and repair boats so that they can restore their livelihoods.

REBUILDING MANGROVES TO PROTECT LOCAL COMMUNITIES

As part of a mangrove restoration project, we provided 60 hours of training and financial support for safety awareness training to local communities. These communities are rebuilding their land by replanting mangroves. Habitants of Lae Lae Island were provided with 250 tons of rock material to strengthen and repair their shore protection structure. This was necessary to secure the livelihoods of the island community: by preventing any further erosion by the sea.



BOOSTING ENVIRONMENTAL AWARENESS

Three Beach Cleanups were organized under our auspices in Duqm in Oman. A total of 680 hours was donated in kind by our employees to help clean the beaches and boost local environmental awareness.

SAFETY FIRST FOR COMMUNITY FIRE SERVICE

Automatic Personal Flotation Devices (PFDs) were donated to the Lyttelton Volunteer Fire Brigade by Boskalis. The brand-new PFDs will boost their marine response capability.



WHY TAILOR-MADE CSR IS GOOD FOR BUSINESS AND FOR PEOPLE: LEARNINGS FROM TURKSTREAM

In 2018 Boskalis helped realize the TurkStream project, a natural gas pipeline running for almost a thousand kilometres from Russia to Turkey. We were responsible for laying sections of the pipeline that come ashore on the Turkish coast near the village of Kıyıköy.

In engineering terms alone, Boskalis' involvement in the TurkStream project represented an immense task. But equally challenging was the quest to minimize its impact on local communities and environments.

Daniël Ouddeken, Social Impact Advisor at Boskalis, led our efforts in this regard. Speaking about his experience, Daniël noted "Managing social impact is not a paper exercise – it is done with people. Only by being on the ground can you truly grasp the extent of the changes they might experience. Then you can come up with an approach that is right for all involved."

Before offshore works even began, a corporate social responsibility (CSR) audit of the planned approach was conducted in line with International Finance Corporation (IFC) guidelines. Ben Mooibroek, Boskalis Project Manager, recalls this process: "What emerged from the audit was that we already had very high standards of CSR compliance however that we could improve in how we document our efforts." Our client (South Stream Transport BV) also recognized this, noting that the team showed "a refreshingly positive attitude to CSR and welfare issues."

A special focus was placed on improving labour conditions and minimizing disruption to the local community. In addition, given the area's cultural significance, a thorough assessment of the work site was carried out. When we found objects of possible historical significance, work was paused so that archaeologists and historians could complete their investigations.

The work site was in a remote location, which meant that creating comfortable conditions for the workforce was key to maintaining a positive atmosphere. Boskalis rented and renovated sleeping quarters to make sure accommodation was up to scratch, and we provided daily lunches to all workers on site, including external contractors. This, in addition to the provision of sport facilities and teambuilding activities, put everyone on an equal footing.

Ensuring that local communities were disrupted as little as possible was a key priority. Ben Mooibroek notes that it wasn't always easy: "For instance, large trucks carrying heavy equipment sometimes passed through the local village by mistake, which raised safety concerns and upset local residents." To resolve this, Boskalis improved road signage, guiding drivers to the work site via the correct routes.

"We looked at the situation in its uniqueness, and we came up with a specific plan that considered each party's needs", notes Ben. "In this way, we could ensure the project was successful from a social integration perspective, as well as an engineering one."

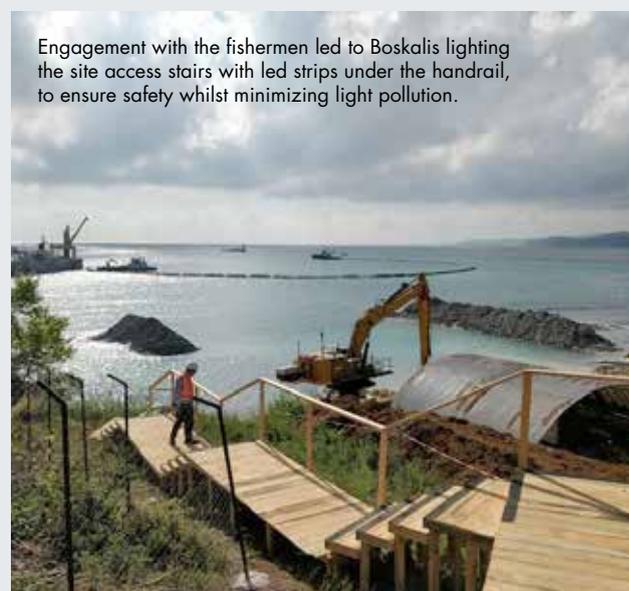
This tailor-made approach was what set the project apart. "Ultimately, we want our work to benefit the community", explains Daniël. "Early and frequent engagement is important to establish good relationships and create positive change."

Boskalis implemented a Community Grievance Procedure to deal with any issues, as well as creating a project-specific Community Engagement Policy for employees. This contained guidelines on cultural specificities to consider and recommendations on how to engage with the community in a positive and respectful manner.

For instance, local fishermen were consulted on the project before it began, since our vessels needed to work in waters used by local fishermen. This meant they could share their concerns or specific needs – such as worries about continued access to the port, light pollution, or having to sail further to access their fishing grounds. We also completed several infrastructural improvements that improved access to the facilities, such as renovating the harbor slipway. These actions made our operations more efficient but they will also benefit the community for years to come.

"You can't have a one-size-fits-all plan when you're dealing with international and long-term projects", points out Ben. "However, you can approach the project with an open mind-set. In the TurkStream case, we took time to listen to suggestions from the client, the subcontractors and the local community; we didn't assume that we knew everything from the outset."

This project reinforced how, when we integrate a wider range of perspectives into our approach to social impact, we can optimize our business operations as well as improving local conditions. Ultimately, this resulted in a win-win outcome that shows the value of thoughtful, tailor-made CSR activity.



Engagement with the fishermen led to Boskalis lighting the site access stairs with led strips under the handrail, to ensure safety whilst minimizing light pollution.



Information meetings with local fishermen were held together with our client.

CARE FOR OUR PEOPLE



As our industry requires highly qualified workers and experienced professionals, our 5,912 employees are our most important asset. Our efforts are focused on creating an inclusive workplace that supports and stimulates employees to develop and grow – so we can continue to offer innovative solutions. We aim to attract and retain talented professional by providing a safe and inspiring work environment in which each person is challenged to realize his or her full potential. Keeping our people safe is a top priority. It is for this reason that our No Injuries No Accidents (NINA) health and safety program is central to our operations.

RISKS & DILEMMAS

- Recruiting and retaining qualified, skilled professionals
- Ensuring workplace safety

OPPORTUNITIES & GOALS

- Offer an inspiring and challenging work environment
- Provide a safe and healthy environment for our employees and subcontractors

KPIs

- Number of work-related safety incidents
- Employee training
- Staff turnover

RESULTS

- Lost time injury frequency (LTIF): 0.05
- Total recordable incident rate (TRIR): 0.40
- Training hours: 77,857
- Percentage staff turnover: 15.3%



HEALTH AND SAFETY

OUR AMBITION FOR NO INJURIES NO ACCIDENTS

Safety continues to be a top priority in everything we do. We want our people and the people we work with to return safely from work every day. Our No Injuries No Accidents (NINA) safety behavior program helps us achieve this goal by embedding a safety culture throughout our organization.

NINA makes people more aware of their own responsibility towards safety and stimulates a working environment in which safety, responsibilities and potentially hazardous situations are openly discussed and reported. We help keep safety top of mind through regular staff engagement activities and training at all levels.

This year, a new NINA Workbox for Lifting and Hoisting was added to the range of practical Workbox training tools that make people aware of their subconscious, routine behavior. We also launched a new 3-day NINA Facilitating Training for SHE-Q employees, with the aim to improve skills and enable our SHE-Q specialists to embed the NINA behavioral aspects further into our organization. The training is focused on creating an intrinsic safety mindset, personal storytelling and practicing key

facilitator skills. To control the quality of the NINA trainings and their effect, a competence management standard has been developed. This standard is aligned with the European Mentoring and Coaching Council (EMCC) framework.

TOP SAFETY HAZARDS

Identifying and reporting potentially dangerous situations help us to take measures to create a safer workplace. Such safety awareness is stimulated by encouraging people to report dangerous situations using Safety Hazard Observation Cards (SHOCs). This year, based on an analysis of our safety data, we identified the top-4 safety risks faced by our employees. In doing so, we have identified in which areas we need to increase awareness, ownership and improve processes to further improve safety performance. The YES Scan launched in 2018, is a practical tool that helps people reflect on possible safety issues for 'Yourself, Equipment and Surroundings' each time they start work.

COLLABORATING FOR SAFETY

Through NINA, we also stimulate collaboration on safety with our project partners and sub-contractors to help achieve our combined safety goals. Each year we hold numerous interactive training sessions with project partners, clients and sub-contractors. For example, to enable our new crewing partner to make safety part of crew working behavior, several training sessions were held in Manila in 2018. These included train-the-trainer workshops, NINA Do-It and Management Training sessions. Feedback from crew aboard of vessels show the positive effects.

OUR SAFETY PERFORMANCE IN 2018

Since the launch of NINA in 2010 our safety performance has improved significantly. This year, the frequency of incidents resulting in absence from work (Lost Time Injury Frequency) further decreased from 0.06 in 2017 to 0.05 in 2018. The Total Recordable Injury Rate (TRIR) dropped from 0.55 in 2017 to 0.40 this year. The increase in the number of submitted SHOCs (11,445 in 2017 and 27,710 this year) is an encouraging sign that awareness and the willingness to report risks is increasing.

THIRD PARTY CERTIFICATION

As part of the certification of the Way of Working quality management system, our business units were audited by Bureau Veritas in 2018. We are OHSAS 8001-certified, as well as being found compliant with the *Veiligheid, Gezondheid en Milieu Checklist voor Aannemers VCA* (Safety, Health and Environmental Checklist for Building Contractors in the Netherlands). In 2018 certificates were renewed according to the 2015 update of the ISO standards.

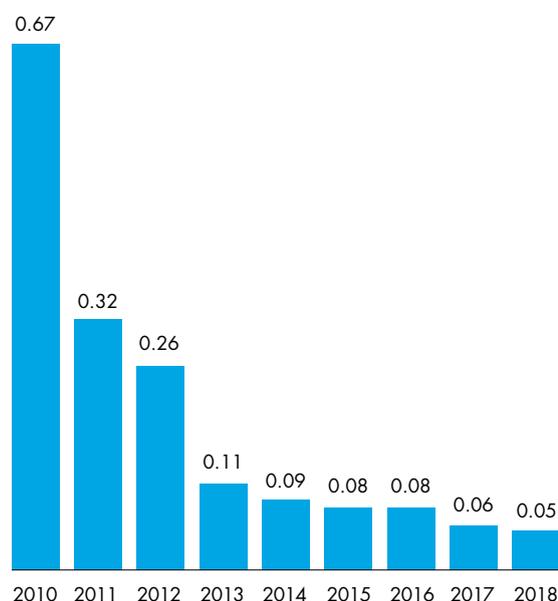
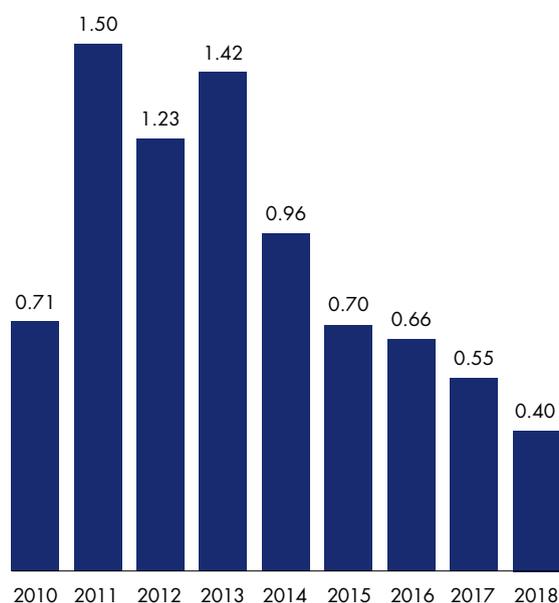


NINA VALUES

- I am responsible for my own safety
- I approach others about working safely
- I take action in case of unsafe operations
If necessary, I will stop the work
- I accept feedback about my safety behavior regardless of rank and position
- I report all incidents, including near misses, to inform others and build on lessons learned

NINA RULES

- Prepare a risk assessment for each project, vessel or location
- Obtain a permit to work for defined high-risk activities
- Make a job hazard analysis for hazardous non-routine activities
- Be informed about risk and control measures
- Be fit for duty and wear the Personal Protective Equipment required

LOST TIME INJURY FREQUENCY (per 200,000 exp. hours)**TOTAL RECORDABLE INCIDENT RATE** (per 200,000 exp. hours)**QUALITY MANAGEMENT**

The Boskalis integrated quality management system Way of Working (WoW) was launched in August 2017. The system aims to achieve operational excellence based on a consistent client approach, with a clear focus on providing safe and sustainable solutions. WoW is crucial for optimizing our tender and project processes. In addition to providing a constant approach towards the initiation, planning, execution and completion of our projects, it integrates health and safety, environment and social responsibility aspects, such as the inclusion of stakeholder interests, in our work.

This year we focused on the implementation of the program throughout the company. In order to embed WoW in our processes, WoW training was given to over 1,200 colleagues; in addition, to intensive StartUp workshops for tender and project teams. Furthermore, the 'Navigator' software tool – part and parcel of WoW – was made available to all business units. This means that we have in place an effective and transparent support system to record and share information throughout our organization.

In order to assess the implementation of WoW, as well as our environmental management system, nearly all business units were audited this year. They received ISO 9001:2015, ISO14001:2015 and OHSAS18001 certification. Ongoing introductory training sessions, Project and Tender StartUp workshops and Train-the-Trainer sessions will ensure the further embedding of WoW within all our processes.

PREVENTION OF OCCUPATIONAL AND OTHER DISEASES

We aim to ensure and safeguard healthy working conditions for our employees on projects, vessels and in our offices. To mitigate risks, we have a vaccination, medical check-up and tailored prevention programs in place. Our Emergency Response Team (ERT) can offer rapid response in the event of a health crisis. The team comprises employees from our corporate SHE-Q and HR departments, as well as medical specialists from the Travel Clinic in Rotterdam. This year, the team met to discuss possible asbestos contamination originating from a third party shipyard, analysis of which proved not to be a risk for employee health. Discussions were also held regarding the risk of Ebola for our employees in the Democratic Republic of Congo. The outbreak was considered too distant from our project to be a threat, but we continued to closely monitor the situation throughout the outbreak.

SUPPORTING INNOVATIONS FOR A HEALTHY WORKING ENVIRONMENT

We support innovations that help minimize health risks for our employees. This year, in collaboration with UK-based start-up Kintech Energy, we brought to market and applied a resin-free hang-off. This sustainable solution for fixing and sealing subsea cables in offshore structures enables fast (dis)assembly without the use of toxic resins. The absence of such resins reduces health risks during installation work.

TALENT MANAGEMENT AND ENGAGEMENT

DEFINING WHAT IS REQUIRED

After a reduction in our overall headcount in 2016 and 2017 in response to the challenging business environment, over the past year we have focused efforts on our Talent Strategy: reviewing which competencies we have in house and what expertise is required to fulfill our ambitions and keep our workforce prepared for the future. Based on the outcomes of the review, we updated our strategic workforce plan across four key areas:

- Attracting the right talent
- Engaging our employees
- Creating equitable rewards and recognition
- Enabling career aspirations

ATTRACTING THE RIGHT TALENT

In order to continue to attract the right people, for the right position, at the right time, we have to be able to offer interesting work, a culture of trust and recognition and opportunities to develop and grow. We also need to be visible and accessible in the market. Therefore, this year we expanded our recruitment processes with an employee referral program and an *#experienceboskalis* recruitment event.

Marloes Reniers, a Boskalis recruitment specialist explains: "The name 'Experience Boskalis' says it all: as well as using the event to find the most suitable candidates, we offer attendees the chance to experience the dynamics and culture of our company. A combination of activities gives candidates a great insight into our organization and helped us evaluate candidates against our core competencies: teamwork, entrepreneurship, professionalism and safety."

SECURING TODAY'S AND TOMORROW'S TALENTS

In 2018 we established Talent Labs, to provide us with key insights into current business and workforce opportunities and challenges. On the business side, clients are looking for more integrated solutions, a deep understanding of their environment and stakeholders, as well as increasing value for money. As for our pool of young talents and future employees, these people are looking for work that has a sense of purpose, with inspiring leaders, a culture of trust and recognition and opportunities to develop and grow.

By way of deep dives, workshops and external analyses, we focused on identifying critical roles and talent needs across the business. We were able to clarify capability needs for key hard-to-fill roles and identified concrete actions to address immediate and to-be-expected gaps. Importantly, and in order to maintain a steady pipeline of talent, we were also able to define next steps.

ENGAGING OUR EMPLOYEES

At the end of the day, it is our people who assess how successful we have been at providing them with an inspiring working environment, career prospects and a work-life balance in line with their aspirations. As we look to raise the bar and monitor our progress, a survey is being prepared and will be held amongst our employees at the beginning of 2019. In addition to gaining insight into what drives our employees to work for us, the survey will also explore how our employees view important themes, such as social responsibility or environmental management.

CREATING EQUITABLE REWARDS AND RECOGNITION

Having an equitable and competitive compensation and benefits package in place helps us attract and retain talent. As a next-step within the strategic workforce plan, in 2019 we will be revising our policies on rewards and recognition. This will include benchmarking our terms of employment.

ENABLING CAREER ASPIRATIONS

To maximize the full potential of our people and to satisfy employee needs, we stimulate internal career moves. We believe such mobility boosts knowledge-sharing and our power to innovate. In order to make it easier for employees to grow in line with their ambitions and capabilities, we focus on training and development opportunities and talent identification, as well as specific career mobility initiatives. In 2018 our employees undertook over 77,000 training hours and we implemented the following initiatives:

Excited candidates during the Boskalis trainee selection day.



Internal Mobility

Career Center platform – This new platform for Boskalis employees is intended to create more transparency and awareness regarding vacancies and available training and courses. The platform went live in September 2018.

Pool Management 2.0 – Designed to stimulate mobility between projects and staff departments, the new pool management approach focuses on cross-divisional talent management and will identify and actively boost team diversification in relation to roles and nationalities. In this way, we aim to find the right person, for the right project at the right time, as well as boost professional development and knowledge sharing between projects.

International Talent Pool – The establishment of an international pool for vital project positions within the Dredging division was initiated in 2017 and formalized this year. As well as providing our international specialists the opportunity to further their career, the pool helps us find and recruit highly qualified hands-on specialists, where and when required on projects worldwide.

Training and Development

Traineeship – Our trainee program is geared towards attracting graduates and professionals with a technical or finance background and up to two years' work experience. A group of 46 trainees embarked on the program this year. Over a period of 18 months, trainees rotate between three different assignments. They gain first-hand experience of our projects and the vibrant environment in which we operate. Knowledge-sharing and skills development are key to everything they undertake.

Personal skills development – This year we further strengthened our learning culture, investing more in learning and development tools which are available to employees through our online portal. This includes the successful blended learning programs on Effective Communication and Influencing launched in 2017, repeated in 2018 and planned already for 2019.

Young professional programs – We encourage our young professionals to develop the skills and knowledge in line with their career needs. These programs combine learning with working and provide young professionals with invaluable insights into the diversity of our projects, as well as preparing them for their next career step. Programs include our Cost Engineering Program and Finance Development Program.

Boskalis Leadership Development Program (BLDP) – We invest in developing leaders and helping equip them with the skills needed to be successful in their role. Developing personal leadership, building an internal network and encouraging innovation and entrepreneurship are important core values of the BLDP that kicked off in 2018.

Boskalis Operational Development Program (BODP) – The one-year BODP that was launched in 2017 gives present and future project managers the opportunity to develop and grow in line with the changing market and complexity of our projects. The first participants completed the program this year, focusing on improving hard and soft leadership skills, safety, professional development and stimulating company-wide knowledge sharing.



RESPONSIBLE LABOR PRACTICES

OUR APPROACH

All over the world our employees devote a considerable amount of their time, knowledge and expertise to Boskalis. It is therefore our responsibility to comply with applicable national and international employment laws and standards, including respecting the conventions of the International Labour Organization.

We respect our employees' right to freedom of association and the right to collective bargaining. We collaborate with the Dutch Works Council and the trade unions and endorse the guidelines of the OECD Guidelines for Multinational Companies. Through our Supplier Code of Conduct, our strategic suppliers are required to observe fair labor practices.

Of our 5,912 employees, 31% are covered by a Collective Labor Agreement. These cover most of our crews and project staff. Corporate and operational staff are covered by separate agreements, reached in consultation with the employee representation bodies.

We have a Boskalis pension plan, managed by PGB pension fund. More information can be found in our 2018 Annual Report: 'Defined benefit pension scheme'.

CONTRACT TYPE AND STAFF TURNOVER

The majority of our employees (2018: 77%) are on a permanent appointment, and of this core staff many have a long tenure with the company. Staff turnover for employees with a permanent contract decreased in 2018 to 15.3% and 10.9% in the Dutch organizations, compared with 16.9% and 12.5% respectively in 2017. This is partly due to completion of the reorganization programs. This year we welcomed 2,521 new colleagues, whereas 2,381 employees left Boskalis.

For projects, we supplement our workforce with staff drawn from a flexible shell. Depending on the project requirements, these employees are hired locally where possible or appointed on a temporary contract. In most cases, such contracts are discontinued on project completion.

OPEN DIALOGUE

We engage in close, structured consultation with employee representation bodies on subjects relevant to our employees, in accordance with the laws of the countries where we are based. Our operations in the Netherlands account for 55% of our workforce. In 2018 the dialogue with the Dutch Works Council was once again open and constructive. Topics discussed included the harmonization of labor conditions (Cofra, Boskalis Offshore International and VBMS), implementation of the new privacy policy and the switch over to a new pension provider for our Dutch crew. We continue to collaborate with the Dutch Works Council and the Dutch trade unions to further explore how to keep employees healthy, safe and motivated.

BUILDING CREW CSR CAPACITY

The crews on board our vessels are part of our quality and sustainability equation. A significant percentage of our crews are sourced in the Philippines. In order to optimize training, deployment and labor conditions for this workforce, in 2018 we consolidated our crew management in the Philippines with one single agency: AngloEastern. By doing so, we now have a strategic partner who works in line with our CSR ambitions, as well as our ambition to offer operational excellence to our clients.

SUSTAINABLE EMPLOYABILITY

Supporting the continued employability of our employees is an important issue for our business and our employees. We do so by helping to enhance staff skills for the future and by looking at ways to keep people healthy, safe and motivated through to their retirement. We aim to create an environment in which people stay committed and connected.

We encourage employees to shape their own career and, if necessary, retrain for a position that is fitting in their stage of life. For instance, through our training and development programs. We try to accommodate the various life stages as much as possible. Employees can request to be trained for a different or, if called for, less physically demanding job.

The raising of the pensionable age increases the challenge for sustainable employment. This is especially true for employees with physically demanding jobs. The introduction in January 2018 of

a new 3:2 (six weeks on/four weeks off) rota on international projects was done in anticipation of such changes and in order to improve work-life balance.

HEALTH SCAN

At Boskalis Nederland, a health scan that was launched in 2017 as part of SamenFIT (FIT Together program), was made available for all employees in 2018. The health scan includes a questionnaire and a health check to measure health, wellbeing, lifestyle and sustainable employability. Lifestyle coaching is offered where required. The health scan gives us insights into overall employee health and how we can boost sustainable employability. It also raises employees' awareness regarding their own health and wellbeing. Over 60% of the workforce participated in the scan. It is the intention to make this a recurring periodic health scan.



DIVERSITY AND INCLUSION

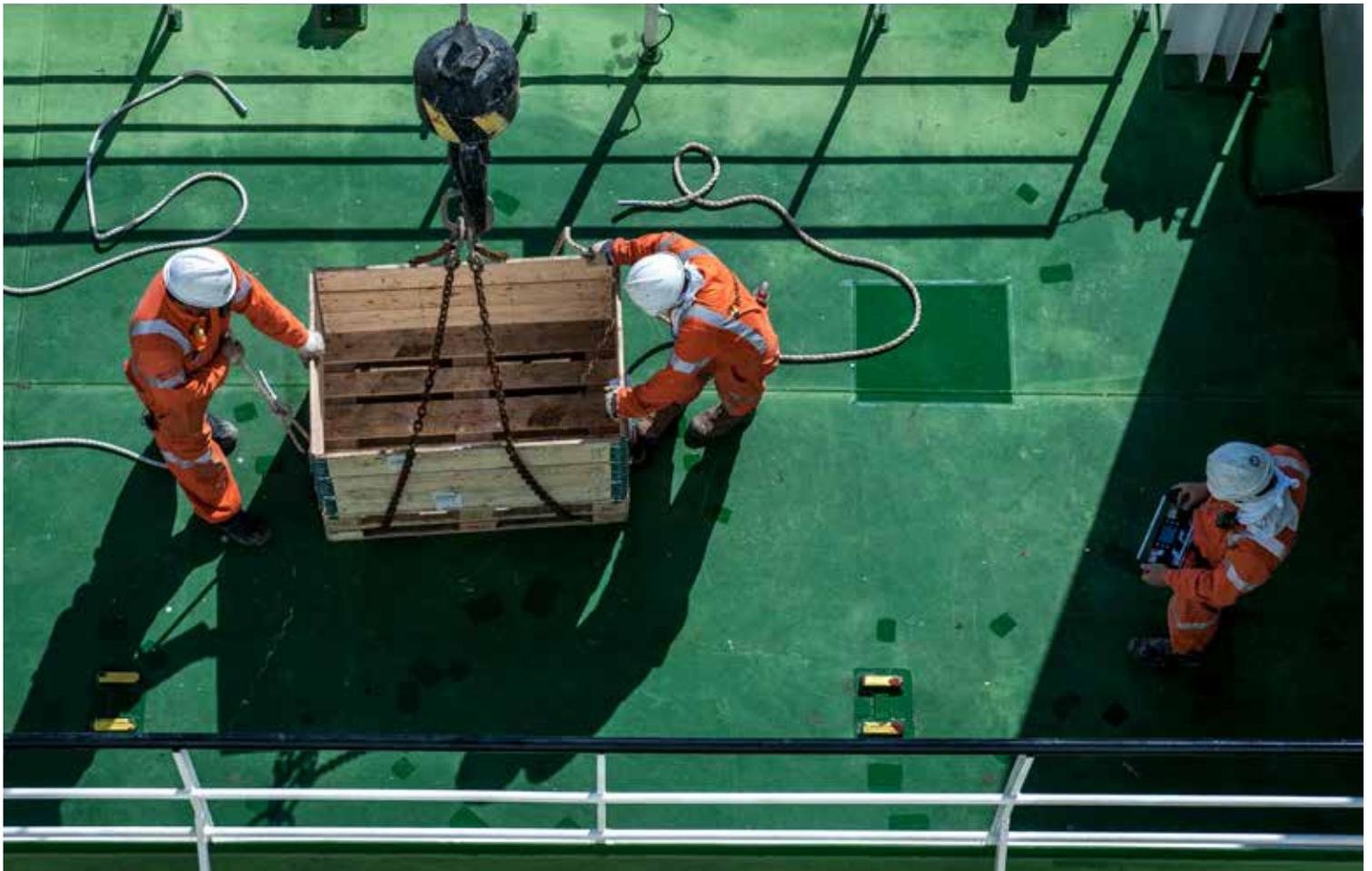
We believe that a diverse and inclusive workplace supports us in meeting the needs and expectations of our international client base. Our work requires flexible and innovative approaches and we recognize the value that different perspectives can bring. We also see that enabling a more diverse workforce gives us access to a larger talent pool. This is why in 2018 we introduced recruitment approaches to seek an increasing number of international applicants for particular roles.

We do not accept discrimination in the workplace and apply an equal opportunities approach for all employees, the Board of Management and the Supervisory Board: regardless of race, nationality, ethnic background, age, religion, gender, sexual orientation or disability - the principle of equal opportunities is leading.

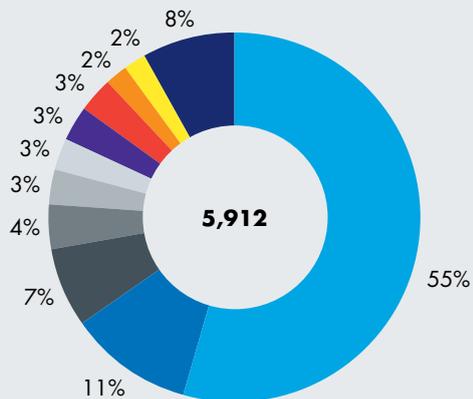
In our workforce we have representation from over 68 different nationalities and we have a balanced age profile. Almost 74% of our employees are under 50, with over half (60%) being in the 30-50 age category. This age distribution provides a good level of staffing for positions at junior, medior and senior levels, as well as resulting in a manageable outflow of staff due to retirement.

We employ a large number of men. The ratio of men to women in 2018 was 88:12 compared to 90:10 in 2017. The participation rate for women is higher for activities that are fixed, office-based and of a structural nature. This year the ratio of men to head office, almost the same as in 2017. As a large proportion of our employees are on vessels or involved in our projects around the world, the percentage of part-time staff is limited. To a large extent we are a project organization that sends out trained technical, financial and maritime staff the world over for longer periods of time, often in remote locations.

The ratio of operational staff (fleet, yards and projects) to management and office support staff is 66:34. This ratio is consistent with the profile of the company and the nature of the activities and the equipment deployed. Proportionately, the most managers and support staff work at the head office in the Netherlands.

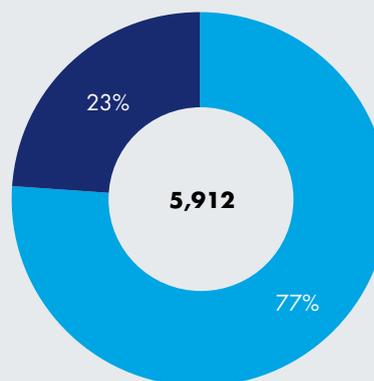


EMPLOYEES BY COUNTRY



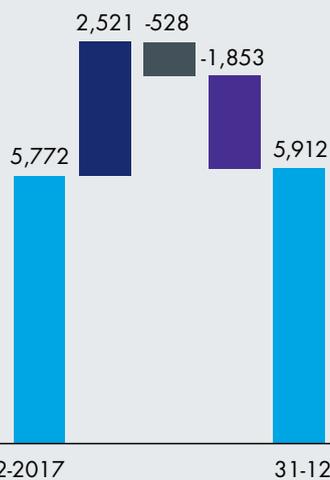
- Netherlands
- United Kingdom
- Philippines
- Germany
- Belgium
- Singapore
- Finland
- Cyprus
- Lithuania
- United Arab Emirates
- Other

TYPE OF EMPLOYMENT CONTRACT



- Permanent appointment
- Temporary appointment

IN- AND OUTFLOW

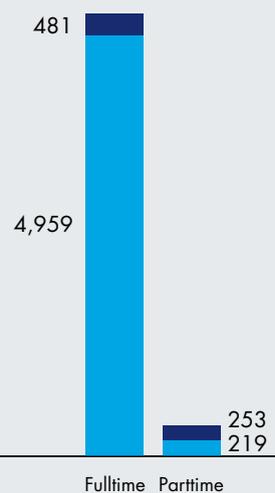


- Inflow
- (Voluntary) termination and retirement
- End of project/contract or dismissal

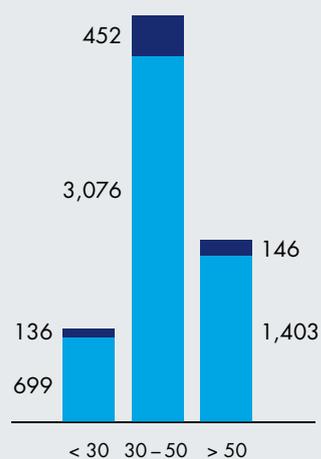
MALE/FEMALE RATIO



FULLTIME/PARTTIME RATIO BY GENDER



AGE PROFILE BY GENDER



- Male
- Female

JOB CATEGORIES MALE/FEMALE IN 2018 (IN %)

JOB CATEGORIES RATIO

MALE/FEMALE RATIO



- Male
- Female

SEEKING OUT SUSTAINABLE SOLUTIONS TOGETHER



At Boskalis, we are always looking for ways to embed our commitment to sustainability into the concrete projects we implement around the world. This starts with our employees, who develop innovative ideas on a daily basis. In 2018, we set out to spread the word internally about our sustainability initiatives and gather employee feedback on how we make CSR-related decisions.

During two events gathering together over 300 participants, employees were engaged around our four CSR pillars: Impact on Local Communities, Impact on the Environment, Care for Human Capital and Good Business Conduct. Multiple interactive workshops encouraged participants to imagine themselves in the shoes of different stakeholders, reflect critically on the risks and considerations at hand, and develop practical solutions.

In one workshop, for instance, several employees role-played the part of fishermen worried that their livelihoods might be adversely affected by a hypothetical project. Meanwhile other colleagues took on the mantle of government officials, while others acted out the part of project insurers, or senior Boskalis staff. Considering all perspectives and finding a balance between different interests is a key part of developing a sound CSR strategy – something our employees came to understand through this exercise.

The idea for a hands-on experience actually came from Boskalis employees themselves – more specifically, from participants in our

Young Boskalis program. This network connects all Boskalis employees under the age of 36, enabling colleagues embarking on their careers to share experiences and develop ideas for improving how we do business. As the CSR workshop initiative demonstrates, there is certainly no shortage of entrepreneurial spirit or passion for sustainability amongst this group of young pioneers.

The events also provided senior staff with an opportunity to speak directly to employees about the value of CSR and a sustainable business approach. Kicking off one event, Boskalis CEO Peter Berdowski noted how “by offering innovative, sustainable and profitable solutions in a rapidly changing world, we can guarantee the success of our business model both for the short and the long-term and attract and retain essential talent.”

The importance of CSR in driving overall business success was also highlighted by Martijn Schuttevaer, Director of Investor Relations and Corporate Communications. Speaking to the participants, Martijn Schuttevaer noted how investors and shareholders increasingly recognize CSR as a sign of efficient and sound management: “Companies with a strong CSR strategy see a significant improvement in multiple areas, including employee loyalty, efficiency, reputation, and employee morale.”

Activating employees on CSR is a key part of our efforts to pioneer sustainable innovation within the maritime sector, from the practical installation support we provided to Dutch NGO The Ocean Cleanup in 2016, to the 3D printed artificial reefs we’ve been pioneering off the coast of Monaco. By tapping into the creative potential of every Boskalis employee, and fostering an inspiring and responsible work environment, we are working together to shape a more sustainable future for all.



RESPONSIBLE BUSINESS CONDUCT



This chapter describes how we fulfill our commitment to be a business partner who acts with integrity, reliability and responsibility towards stakeholders. We do so by applying our General Code of Business Conduct and we endorse the principles of the International Labour Organization and the OECD Guidelines for Multinational Enterprises. We use our leverage wherever we can in creating value within the supply chain.

RISKS & DILEMMAS

- Our leverage in the value chain can be limited
- Large number and global spread of diverse suppliers due to project organization

OPPORTUNITIES & GOALS

- Being a responsible and reliable business partner
- Effectiveness in managing supply chain risks
- Further evolve our supply chain management

KPIs

- Strategic suppliers: percentage spend covered by Supplier Code of Conduct
- Number of suppliers scanned on adherence to the Supplier Code of Conduct

RESULTS

- 70% strategic supplier spend covered by Supplier Code of Conduct
- 10 new suppliers scanned and 5 recurring scans
- 2012-2018: 101 suppliers scanned



BUSINESS PRINCIPLES

Integrity, reliability and responsibility are key elements for building trust between Boskalis and its stakeholders. These intrinsic values are reinforced by establishing guidelines and principles for responsible business conduct, and ensuring these are maintained.

Boskalis has a General Code of Business Conduct, which is based on international guidelines, including the Universal Declaration of Human Rights. We endorse the principles of the International Labour Organization (including safety on the work floor through our safety program, No Injuries, No Accidents, and the conventions of the International Labour Organization, among others related to child labour and the OECD Guidelines for Multinational Enterprises. Boskalis accepts responsibility for matters which lie within its sphere of influence.

In the countries where Boskalis operates, we are subject to national legislation and regulations. Boskalis refrains from cultural judgments and conducts itself as a good citizen or guest. We adhere to relevant international and national sanctions. Boskalis reviews its General Code of Business Conduct at least once every two years, most recently in 2018.

The full text of our General Code of Business Conduct is available on our corporate website.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

The Boskalis anti-bribery and anti-corruption policy is enshrined in the General Code of Business Conduct. The General Code of Business Conduct states that Boskalis shall not offer, pay, request or accept bribes or other favors for the purpose of acquiring or bestowing any improper business, financial or personal advantage. The General Code of Business Conduct forms part of the employment contracts of Boskalis staff, having been incorporated in the accompanying employee manual, as well as contracts with directors. Boskalis employees are provided with targeted training on the anti-bribery and anti-corruption policy and are monitored with regard to regulations and legislation concerning bribery and corruption.

Furthermore the principles that no bribes or other favors shall be offered, paid, requested or accepted for the purpose of acquiring or bestowing any improper business, financial or personal advantage has also been incorporated in the Supplier Code of Conduct, which is part of the contractual relationship between Boskalis and its suppliers. Suppliers are obliged to select their own suppliers in accordance with the Boskalis Supplier Code of Conduct. In many countries where Boskalis operates it is impossible to conduct activities without a local partner or sponsor. The guidelines for collaborating with such a partner are set out in a contract, which also specifically includes the principles from the General Code of Business Conduct as described above. Local contacts may be maintained by an agent, who also assists in the

efficient setting up and execution of projects. Control of integrity risks and compliance with the procedures for concluding agent contracts are part of the internal audits.

WHISTLEBLOWER POLICY

Boskalis has a Whistleblower Policy in place that offers employees the possibility to report suspected misconduct within the company. This includes any subject of a general, financial or operational nature which is not in line with the General Code of Business Conduct. A confidential independent counselor has been appointed for the purposes of the Whistleblower Policy. The counselor shall take the reported suspected misconduct immediately into consideration and gain information in relation thereto. Based on this information the counselor shall decide which actions are appropriate and necessary, including a possible investigation on the reported misconduct. The employee who has in good faith reported the suspected misconduct to the counselor, in accordance with the Whistleblower Policy, shall not suffer any detriment as a consequence of this notification. The Whistleblower Policy also provides for the possibility to consult a female counselor. The Whistleblower Policy was revised at the beginning of 2019 and can be found on the corporate website.

TAX PRINCIPLES

Boskalis has adopted the following tax principles. We believe these principles illustrate good corporate practice in the area of tax management and tax transparency, balancing the interests of our various stakeholders, including clients, investors and the governments and communities in the countries in which we operate.

COMPLIANCE

We act at all times in accordance with applicable laws and are guided by relevant international standards, for example OECD Guidelines. Disclosures are made in accordance with the relevant domestic regulations, as well as applicable reporting requirements and standards such as IFRS.

BUSINESS RATIONALE

Tax follows the business, meaning that transactions must have a business rationale. Boskalis does not seek to avoid taxes through 'artificial' structures in tax haven jurisdictions.

RELATIONSHIP WITH TAX AUTHORITIES

Boskalis seeks to develop strong, mutually respectful relationships with tax authorities.



RESPONSIBLE SOURCING

OUR SUPPLY CHAIN

Our central procurement office maintains relationships with approximately 1,500 direct suppliers. Of these, 79% are based in the Netherlands, 16% in other European countries and 5% outside Europe. Nearly 300 (279) of our suppliers are strategic partners, who together account for 90% of central purchasing volume.

HOW WE SELECT AND WORK WITH SUPPLIERS

Besides selection criteria such as quality, delivery reliability and price, our central procurement department requires strategic suppliers to sign and comply with our Supplier Code of Conduct. Our approach incorporates the principles of the Dutch Expertise Network for Procurement and Supply Management (NEVI) Code of Conduct, which helps procurement professionals deal with the ethical dilemmas they face as part of the procurement process.

Our Supplier Code of Conduct mirrors our own General Code of Business Conduct, covering our expectations of suppliers' environmental and social performance. It is an integral part of our General Purchasing Terms and Conditions and of central procurement contracts. This means that on signing a contract, suppliers commit themselves to the Supplier Code of Conduct. In 2018, 70% of our strategic suppliers (by spend) endorsed the Supplier Code of Conduct. This percentage fluctuates from year to year, due to variations in purchase patterns. Both the Supplier Code of Conduct and our General Purchasing Terms and Conditions can be downloaded from our website.

In addition to the Supplier Code of Conduct, we work with our suppliers on a number of collaborative sustainability initiatives, including research, validation and implementation of cleaner engines, environmentally friendly fuels, energy savings, the sustainable dismantling of our vessels, and cradle-to-cradle and recycling concepts.

SCANNING RISK AND IMPROVING SUPPLIER PERFORMANCE

Every year Boskalis performs a CSR scan at a selection of our contracted suppliers to verify whether or not suppliers are complying with the Boskalis Supplier Code of Conduct. This is in addition to the normal pre-qualification process of suppliers. Furthermore, Boskalis wants to have a dialogue with its suppliers to further enhance CSR consciousness in the supply chain. The procedure comprises a CSR questionnaire, an audit and a risk assessment result. The reporting format is based on the socially responsible procurement method of the Chartered Institute of Purchasing and Supply. We currently use two systems to complete the scans, both of which are carried out by an independent third party:

Implementation Scan: This process involves a questionnaire based on our Supplier Code of Conduct, and an onsite audit and a risk assessment. We have used this method since 2012 and in 2018 we scanned nine suppliers with this method.

BlueScan: Developed in collaboration with the Maritime Network of MVO Nederland and a number of leading Dutch maritime companies, Boskalis co-created BlueScan - the first online assessment tool of its kind for sustainable procurement in the maritime sector. The process is similar to the Implementation Scan but the tool enables information sharing amongst the maritime network partners. This means that it's more efficient for both purchasing companies and suppliers. Suppliers only need to adhere to one standard and respond to one audit request. The process is aligned with international CSR standards, including ISO 26000 and ISO 20400. It has the additional advantage that it enables us to boost awareness throughout the supply chain regarding sustainability issues. We began using this method in 2017 and in 2018 six suppliers were scanned using BlueScan.

If concerns are identified at our suppliers using either method, we use the results to encourage improvement in CSR conduct. Later on a second scan is conducted as indicated in the matrix on the page opposite. If there is insufficient progress, this can lead to termination of our relationship with the supplier.

2018 IMPLEMENTATION SCAN RESULTS

This year fifteen suppliers were reviewed (six using the BlueScan and nine based on the implementation scan). Of these, ten were new suppliers and five previously reviewed suppliers. In total, eleven suppliers were classified as low risk and three as average risk, meaning they received standard and informative communications respectively. One supplier who was revisited was classified as high risk, having previously been average risk. We are actively working to influence this supplier to improve its CSR performance. No suppliers were classified as significant risk.

SAFE AND SUSTAINABLE DISMANTLING

Our vessels are dismantled by third parties. Our ship dismantling policy is focused on safe and sustainable dismantling. We are ahead of existing international legislation and regulations in this area and have been repeatedly recognized as an industry leader by the NGO Shipbreaking Platform. Prerequisites for our policy include: additional stricter safety requirements, a hard surface on which to dismantle the vessel and responsible disposal of waste. For each vessel, the possibilities for responsible dismantling locally are assessed and weighed against the environmental and other costs of transporting it over a long distance, for example to a certified ship dismantling yard in Europe. Where relevant, agreements are made with local yards in close consultation with the NGO Shipbreaking

Platform to adapt business processes in such a way that they meet Boskalis' stringent requirements. During the ship dismantling process, knowledge is shared with the local yards.

Vessels of 500 GT+ are dismantled at certified shipyards in accordance with the Hong Kong Convention and Boskalis' own stricter standards. For older, 500 GT+ vessels that are offered for sale, we draw up an Inventory of Hazardous Materials (IHM) as part of the sales contract. The sales contract also stipulates that, in the event of future dismantling, the new owner must dismantle the vessel on a hard surface and comply with the Hong Kong Convention. This year, we took a significant step by committing to the Waste Shipment Regulation (WSR), doing so ahead of the mandatory

date of 1 January 2019. The WSR sets out strict procedures for cross-border shipments of waste, the method of waste processing and the country of destination.

DISMANTLING IN 2018

This year a decision was taken for the environmentally responsible dismantling of six ships. All ships are low-end closed-stern heavy transport vessels (Swan, Swift, Teal, Transporter, Talisman, and Treasure). In addition, Rocky 1 a large backhoe dredger and the pontoon vessel Scradeway were dismantled. Preparations were made for the planned dismantling of three dredging vessels early in 2019.

CSR IMPLEMENTATION SCAN 2012-2018: 101 SUPPLIERS SCORED



● 2012 - 2017 ■ 2018

Dialogue necessary (1 and 2): constant coordination and continuous dialogue with the supplier with regard to CSR

Persuasive communication (3): focused on convincing the supplier to take measures in the area of CSR

Informative communication (4): explaining the reasons behind the Boskalis CSR policy to enable an organization to adopt this internally

Standard communication (5): general discussions on CSR; keeping up-to-date on each other's developments

CORPORATE GOVERNANCE

Boskalis operates a two-tier board model, which means that management and supervision are segregated. The Board of Management is responsible for the day-to-day management of the business, the continuity of the company and for setting out and realizing the company's strategy for the long-term value creation, as well as for the culture, opportunities and risks and the results of the company. The Supervisory Board is responsible for supervising the Board of Management on the formulation of the strategy for the realization of the long-term value creation and the implementation thereof.

In 2018 the Supervisory Board received an update from the Board of Management on the implementation, execution, risks and opportunities of the Corporate Business Plan 2017-2019. Please refer to the strategy section in our Annual Report 2018 for more information.

Furthermore, the Supervisory Board is responsible for supervising management performance regarding the general affairs of the company and advising the Board of Management. At Boskalis there is close collaboration between the Supervisory Board and its committees, the Board of Management and the stakeholders.

In 2018 the Supervisory Board held a comprehensive discussion on the CSR Report. The Supervisory Board paid among others attention to the initiative of Boskalis to reduce CO₂ emissions of its fleet by using sustainable biofuel, where feasible, and the acquisition of two LNG powered tugs. In 2018 the General Code of Business Conduct, the Supplier Code of Conduct and the Whistleblower Policy with the therein embodied values, and their execution and compliance were discussed. The Supervisory Board also addressed the policy and relevant developments in relation to anti-corruption and integrity.

The remuneration policy and remuneration elements are directly derived from the Boskalis strategic agenda, incorporating not just financial-economic objectives but also CSR objectives such as safety and talent management. The 2018 Remuneration Report clearly states that these CSR aspects are part of the long-term corporate objectives. The external auditor is involved in determining the remuneration and is responsible for ensuring that the relevant procedures are followed correctly. Please refer to our corporate website for the Remuneration Report.

Boskalis has also formulated a Diversity Policy explaining the company's broad view on diversity. Boskalis operates a strict equal opportunities policy for all employees, the Board of Management and the Supervisory Board. The Diversity Policy is available on www.boskalis.com.

The Board of Management is responsible for the company's CSR policy and is supported in this role by the Energy Management and Eco-Engineering task forces. The SHE-Q manager reports to the Board of Management on safety related topics. With regard to HR-related objectives, the HR director reports to the Board of Management. The business unit directors and the heads of the relevant staff departments report to the Board of Management on respective CSR key performance indicators.

This CSR Report was drawn up under the responsibility of the director Investor Relations & Corporate Communications who also reports directly to the Board of Management. The report is reviewed by the Board of Management of Boskalis and is discussed in its entirety with the Supervisory Board.

For the reports of the Supervisory Board, the Board of Management, our corporate governance policy, terms of office and our organization – including the composition of the Supervisory Board and the Board of Management – please refer to our Annual Report 2018, the Remuneration Report and our corporate website.



APPENDIX





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ABOUT THIS REPORT

PURPOSE AND SCOPE OF THE REPORT

We have been reporting on our Corporate Social Responsibility (CSR) strategy, performance and results in a separate Annual Report since 2009.

The scope of our CSR reporting is based on the information requirements of our key stakeholders. Our key stakeholders either have an influence on our license to operate or can be significantly impacted by our activities. In order to ensure we meet their information requirements we carried out an initial materiality analysis in 2015 which we fully updated in 2017. Boskalis management selected relevant material themes and topics derived from Boskalis' strategy, its activities as well as from international guidelines, regulations and legislation. More than 70 stakeholders from our key stakeholder groups were consulted. An online survey, complemented by desk research and interviews was used to determine how important the individual topics were to the stakeholders. The Boskalis group management also participated in the survey to determine the importance of the topics for Boskalis. Based on the results of this process, the materiality matrix was drawn up. The materiality analysis provided valuable input for our CSR strategy and structure of reporting. It confirmed that both of these are considered relevant and significant by our stakeholders. We plan to update our materiality analysis in the course of 2019.

The CSR Report includes only CSR data from entities that are fully or majority owned and from joint ventures in which Boskalis has a controlling interest. However, Boskalis relies on a significant number of contractors to perform daily activities. Boskalis acknowledges its responsibility for the safety of its contractors and therefore includes contractors in its safety performance reporting. Divestments are reported in accordance with the financial reporting rules for consolidation. This means that acquisitions are reported as from the moment control (ownership) is acquired. Divestments are reported up to the moment that control is relinquished. Excluded from this report is 2017 CSR data from Gardline, which was acquired and consolidated mid-2017. Gardline will be included in the 2018 report. Please refer to our Annual Report for an overview of acquisitions and divestments in 2017.

REPORTING PROCESS

The CSR Report is compiled by a multidisciplinary CSR team under the responsibility of the Board of Management. Its content was discussed in its entirety with the Supervisory Board. The consolidation of CSR data takes place at successive levels, starting with the projects and local office organizations, moving up through the relevant business units and staff departments and ending with the consolidated group reports. This is based on quarterly reporting via a dedicated online SAP-based reporting

tool, which is monitored by our Group Accounting & Reporting department, in close consultation with our Corporate Communications department that is responsible for the production of the CSR Report. In addition, as in previous years, a number of internal audits were conducted on material CSR topics and indicators in 2018. Although we are confident that our internal audit ensures a reasonable level of data reliability we have our CSR information verified by an external accountant.

REPORTING PRINCIPLES

The CSR data is prepared in accordance with our reporting principles, which are based on the international reporting guidelines of the Global Reporting Initiative (GRI) standards. Since 2017 we report in accordance with the most recent version of the guidelines; the GRI Standards. The GRI reference table is included on pages 60 and 61 of the report. KPIs are selected on the basis of interactive stakeholder dialogue and the issues relevant to Boskalis' operations.

EXTERNAL VERIFICATION

The information contained in this report faithfully represents the outcome of systematic data gathering and analysis. As in previous years, Boskalis appointed an external assurance provider to verify its key CSR metrics. Please refer to page 74 for the assurance report and conclusion of our external assurance provider.

METHODS OF ESTIMATION, MEASUREMENT AND CALCULATION

We use generally accepted protocols to compile, measure and present information, including the GRI technical protocols for indicators comprised in the guidelines. We aim to ensure reliability of our reported data by performing internal audits and externally verifying our data. However, due to generic challenges in the data collection process and the nature of sustainability data there are limitations associated with measuring and calculating data. Here we elaborate on the methodology, calculations and inherent limitations of the data. No changes were made to definitions and measurement methods of the reported data compared to the 2017 reporting period.

HR DATA

The detailed HR data in this report covers our own employees and excludes the employees of joint ventures and the employees seconded from other companies to Boskalis (e.g. Anglo Eastern, crew of the former Dockwise vessels). The phased transition of Philippine crew to Anglo Eastern is nearing completion by the end of 31 December 2018. 473 crew, primarily from the Philippines,

are included in the composition of workforce over 2018. The outflow of this crew will be reported once the transition to Anglo Eastern has been completed. For our detailed HR reporting, please refer to page 68.

CO₂ DATA

The CO₂ data covers all fuel consumed by vessels of the Dredging & Inland Infra and Offshore Energy divisions. ISO and ISM standards are used for the conversion of fuel to CO₂. For the conversion of volume to weight, the ISO 8217:2012 standard is followed. The most stringent density factor of 0.890 kg/l is applied to the MGO/MDO conversion. The following ISO and ISM standards are used for the conversion of fuel to CO₂:

- Volume to weight conversion takes place according to ISO specification 8217E, using the following specific gravity per liter:
 - MGO/MDO 0.890kg
 - HFO 0.991kg
- Conversion of MT of fuel to CO₂ takes place according to IMO Resolution MEPC.212(63), using the following conversion factor per MT of fuel:
 - MGO/MDO 3.206 MT CO₂
 - HFO 3.114 MT CO₂
- Conversion of m³ of biofuel to CO₂ takes place according to DEFRA carbon emission factors, using the following conversions factor per m³ of fuel:
 - 34.60 kilograms of CO₂

SAFETY DATA

Our safety data covers all our own employees including subcontractors that work under our supervision. Lost Time Injury (LTI) expresses the number of workplace accidents serious enough to result in absence from work. Lost Time Injury Frequency (LTIF) expresses the number of workplace accidents resulting in absence from work per 200,000 hours worked. The LTIF overview on page 39 shows a breakdown for the various divisions. In addition to LTIF, we also provide the Total Recordable Injury Rate (TRIR). TRIR is composed of LTIs, Medical Treatment Cases and Restricted Work Cases, per 200,000 hours worked.

COMMUNITY INVESTMENT DATA

Most of our activities are project-based and therefore temporary in nature. We provide qualitative and/or quantitative reporting on the community activities for these operations. Community investment data includes the investments in community programs made by Corporate Head Office.

SUPPLY CHAIN DATA

The supply chain data refers to the procurement spend by the strategic suppliers of the Central Procurement department. 279 of these suppliers are regarded as strategic suppliers who account for some 90% of the Corporate Procurement department's purchasing volume.

BENCHMARKS

In 2018, our sustainability performance was monitored and benchmarked:

- Boskalis was once again certified for the highest level of the CO₂ Performance Ladder (level 5) in the Netherlands.
- Once again, we took part in the Carbon Disclosure Project, a global reporting platform that makes information on emissions available to subscribed investors.

In addition, our efforts were recognized as follows:

- Highly commended in the Environmental Project of the Year category at the DPC Innovation Awards 2018 organized by Dredging and Port Construction magazine, for the construction of the Marker Wadden in the Netherlands.
- Winner of ADB-DutchCham's Winsemius Award 2018 in Singapore in the category Water, Maritime & Offshore for the innovative approach on the Pulau Tekong polder project in Singapore.

PUBLICATION DATE

The CSR Report 2018 was published at the same time as the Annual Report 2018 on 7 March 2019 on the corporate website.

CONTACT

Any suggestions you may have for improving our CSR policy or the way we report on it are greatly appreciated. We are happy to engage with you on this subject, in which case you are kindly requested to contact:

Claire Bryant
 CSR Manager
 Telephone: +31 78 6969310
 Email: csr@boskalis.com
 Website: www.boskalis.com/csrreport

GRI TABLE

GRI CONTENT INDEX

This report follows the GRI Standards, level core. The overview below lists the required disclosures we are reporting on along with the references to the chapters where this information can be found.

GENERAL DISCLOSURES

DISCLOSURE	TITLE	REFERENCE
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	Colophon
102-2	Activities, brands, products, and services	Boskalis at a glance: 8, 9
102-3	Location of the organization's headquarters	Rosmolenweg 20, Papendrecht the Netherlands
102-4	Number of countries operating	boskalis.com/markets/ports/port-development-and-maintenance.html
102-5	Nature of ownership and legal form	Corporate Governance: 52
102-6	Markets served	Boskalis at a glance: 8 - 13
102-7	Scale of the reporting organization	Diversity: 45 Annual Report – Key Figures Annual Report – Consolidated Statement of Profit or Loss
102-8	Information on employees and other workers	Diversity: 45 Appendix HR Data: 66, 67
102-9	Supply chain	Boskalis at a glance – CSR strategy, Boskalis at a glance: 8, 9 Business conduct: 50, 51
102-10	Significant changes to the organization and its supply chain	Business conduct: 50, 51 Annual Report: Chairman's statement and Financial performance
102-11	Precautionary Principle or approach	Boskalis at a glance: 10, 11 Annual Report: Risk management
102-12	External initiatives	Boskalis at a glance: 10, 11
102-13	Memberships of associations	Boskalis at a glance: 10, 11 Appendix Stakeholder dialogue overview: 64, 65
STRATEGY		
102-14	Statement from senior decision-maker	Chairman's statement: 5
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	Boskalis at a glance: 8 - 11 Business principles: 48 Responsible sourcing: 50, 51
GOVERNANCE		
102-18	Governance structure	Corporate governance: 52
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Boskalis at a glance: 11 Appendix Stakeholder dialogue overview: 64, 65
102-41	Collective bargaining agreements	Responsible labor practices: 42
102-42	Identifying and selecting stakeholders	Boskalis at a glance: 11 Appendix Stakeholder dialogue overview: 64, 65
102-43	Approach to stakeholder engagement	Boskalis at a glance: 11 Appendix Stakeholder dialogue overview: 64, 65
102-44	Key topics and concerns raised	Boskalis at a glance: 12, 13 Appendix Stakeholder dialogue overview: 64, 65

DISCLOSURE	TITLE	REFERENCE
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	Appendix About this report: 56, 57 Annual Report: Financial performance
102-46	Defining report content and topic Boundaries	Boskalis at a glance: 10, 11 Appendix About this report: 56, 57
102-47	List of material topics	Boskalis at a glance: 10, 11 Appendix About this report: 56, 57 Appendix Materiality map: 60, 61
102-48	Restatements of information	No restatements were made with regard to information provided in previous CSR reports
102-49	Changes in reporting	Appendix About this report: 56, 57
102-50	Reporting period	1 January 2018 – 31 December 2018
102-51	Date of most recent report	CSR report 2017, published 8 March 2018
102-52	Reporting cycle	Annually
102-53	Contact point for questions regarding the report	Appendix About this report: 56, 57
102-54	Claims of reporting in accordance with the GRI Standards	Cover
102-55	GRI content index	Appendix GRI table GRI standards core: 58, 59
102-56	External assurance	Appendix About this report: 56, 57 Independent limited assurance statement: 70

SPECIFIC STANDARD DISCLOSURES

DISCLOSURE	TITLE	REFERENCE
ECONOMIC PERFORMANCE		
GRI 201: ECONOMIC PERFORMANCE		
201	Management approach disclosures	Annual Report: Report of the Board of Management
201-1	Direct economic value generated and distributed	Key figures: 2
IMPACT ON BIODIVERSITY		
GRI 304: BIODIVERSITY		
304	Management approach disclosures	Boskalis at a glance: 11 Materiality map: 60, 61 Biodiversity and ecosystems: 16 - 19
304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity and ecosystems: 16 - 19
EMISSIONS		
GRI 305: EMISSIONS		
305	Management approach disclosures	Boskalis at a glance: 11 Materiality map: 60, 61 Reducing emissions: 20, 21
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	Reducing emissions: 20, 21 About this report: 56, 57
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Reducing emissions: 20, 21 About this report: 56, 57
HEALTH AND SAFETY		
GRI 403: OCCUPATIONAL HEALTH AND SAFETY		
403	Management approach disclosures	Boskalis at a glance: 11 Materiality map: 60, 61 Health and safety: 38, 39
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Health and safety: 38, 39
RESPONSIBLE BUSINESS CONDUCT		
GRI 414: SUPPLIER SOCIAL ASSESSMENT		
414	Management approach disclosures	Boskalis at a glance: 11 Materiality map: 60, 61 Responsible sourcing: 50, 51
414-1	New suppliers that were screened using social criteria	Responsible sourcing: 50, 51
LOCAL DEVELOPMENT		
OWN INDICATOR		
	Management approach	Boskalis at a glance: 11 Materiality map: 60, 61 Local development: 28 Managing social impact: 30, 31
Own indicator	Description of the activities involving supporting local communities	Local development: 28 Managing social impact: 30, 31

MATERIALITY ANALYSIS AND OECD APPROACH

For a focused strategic approach, aimed at a healthy balance between stakeholder expectations and business aspirations, we identify and assess which material topics are most relevant in relation to our activities. To this end, we use a materiality analysis: to gain insight into the relevance and importance of topics for Boskalis on the one hand, and for our various stakeholder groups on the other. Although material topics remain the same over time, their relevance for both internal and external stakeholders is subject to change.

In 2015 we defined our main material themes. These were updated in 2016. In 2017, we once again engaged with our stakeholders to re-assess the most important material CSR themes. By actively engaging with relevant stakeholders at all levels within and outside of our company, we can interact and align our strategy to guide both our business and CSR objectives.

More than 70 stakeholders, including the Boskalis Management Board, were consulted for our materiality analysis. A list of relevant topics was drawn up by an independent third party, making use of a longlist of CSR topics based on CSR benchmarks and reporting

frameworks, combined with a media and a peer analysis. This resulted in a new shortlist of 20 relevant topics, including updated and Boskalis-specific definitions. These topics were presented to our stakeholders through an online survey and desk research resulting in 50 valid responses from the 5 stakeholder groups.

MATERIALITY ANALYSIS CHANGES

Boskalis-specific definitions of the material topics were provided in the shortlist of topics. Topics were divided into the four thematic areas: Care for our people, Impact on local communities, Impact on the environment and Responsible business conduct. Stakeholders were asked to rank and score the topics that mattered to them most. Boskalis management and the Management Board was asked to do the same.

The resulting materiality matrix is by definition a snapshot and opinions amongst stakeholder groups may vary. The matrix is a representation of what we understand to be the relative importance of these themes to the company and our stakeholders. The matrix is monitored and revised if and when necessary.

MATERIALITY MATRIX

IMPACT ON LOCAL COMMUNITIES

- 1 Local development
- 2 Stakeholder engagement
- 3 Community investments

IMPACT ON THE ENVIRONMENT

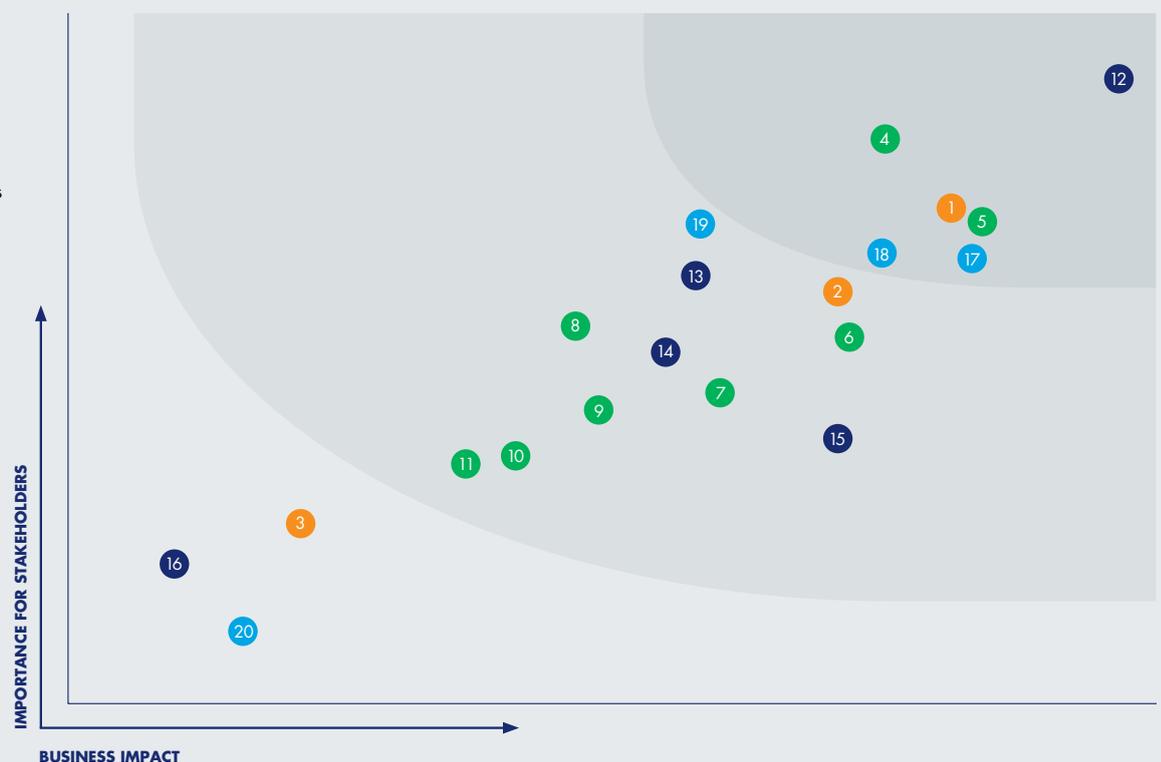
- 4 Impact on biodiversity and ecosystems
- 5 Emissions
- 6 Climate change adaptation
- 7 Energy transition
- 8 Waste management and effluents
- 9 Turbidity
- 10 Ship dismantling and recycling
- 11 Ballast water

CARE FOR OUR PEOPLE

- 12 Health and safety
- 13 Sustainable employability
- 14 Fair labor practices
- 15 Talent management
- 16 Diversity

BUSINESS CONDUCT

- 17 Economic performance
- 18 Responsible business conduct
- 19 Responsible sourcing
- 20 Taxes



MATERIALITY MATRIX

All themes in the matrix are relevant to Boskalis. The topics that have been prioritized by Boskalis and our stakeholders – based on their relative importance – are featured in the top right of the matrix.

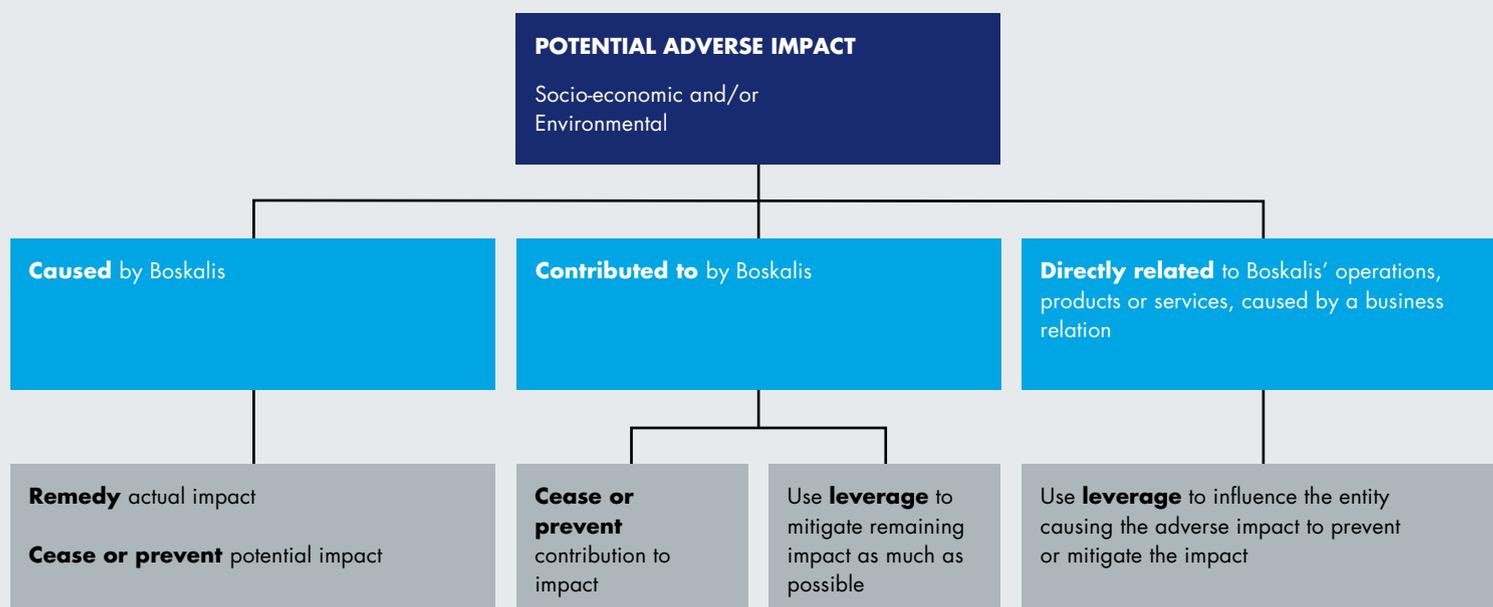
These topics are the key elements of our CSR strategy and this report has been drawn up based on them.

Generally speaking, the most important material topics have remained the same as in 2016. One exception is Health & Safety, which has gained considerably in importance. Impact on biodiversity and ecosystems remains one of the most important themes. To gain more insight into the main themes Responsible business conduct and Impact on local communities, a more granular approach was followed by defining new topics.

BOSKALIS APPROACH TO POTENTIAL ADVERSE IMPACT

For reference the Boskalis approach for managing potential adverse impact is illustrated below.

BOSKALIS APPROACH TO POTENTIAL ADVERSE IMPACT



ANALYSIS OF THE UN SUSTAINABLE DEVELOPMENT GOALS

In 2015, the United Nations adopted 17 Sustainable Development Goals (SDGs), defining global sustainable development priorities and aspirations for 2030. This common set of 17 goals and 169 sub-targets calls for worldwide action among governments, business and civil society to end poverty, ensure prosperity for all, and protect the planet.

At Boskalis, we endorse the SDGs. To select the SDGs that are most relevant in relation to our activities, we followed an approach specified by the SDG Compass. The SDG Compass is a guide for business action developed by GRI, the UN Global Compact and the World Business Council for Sustainable Development (WBCSD). In line with the SDG Compass, we determined the extent to which we can contribute to the SDGs and the risks and opportunities they can represent for us throughout our value chain.

OUR APPROACH

To align our approach to the SDGs we conducted an assessment on the current, potential, positive and negative impacts that our activities have on the SDGs throughout our value chain. We rated each of the 169 SDG sub-targets according to two dimensions:

- The first dimension reflects Boskalis' contribution to the SDG sub-target. A score was attributed from to each SDG sub-target for which Boskalis' contribution is considered either not relevant or limited (low), indirect in nature (medium, i.e. not directly linked to Boskalis' core business), or directly linked to Boskalis' core business (high).
- The second dimension illustrates the level of impact on a global scale, positive as well as negative, of the identified direct or indirect contribution of Boskalis to the SDG sub-target.

Once both scores were attributed to each SDG sub-target, we ranked all the SDG sub-targets. The SDG sub-targets with the highest score are considered most relevant to Boskalis' business and its stakeholders. By adding up the sub-target scores of each SDG, we have ranked the 17 SDGs and reviewed these with experts from the business and external advisors.

OUTCOME

Based on this assessment, whilst we see there are areas in which we can contribute to all of the SDGs, we consider the following as most relevant in relation to our activities:

- SDG 7: Affordable and clean energy
- SDG 8: Decent work and economic growth
- SDG 9: Industry, innovation and infrastructure
- SDG 13: Climate action
- SDG 14: Life below water

BOSKALIS AND THE UN SUSTAINABLE DEVELOPMENT GOALS

Whilst we recognize that all the goals are interrelated, based on the analysis described on the preceding page, we've graphically depicted our contribution to each individual goal depending on the contribution and impact we are able to have.



STAKEHOLDER DIALOGUE OVERVIEW

Entering into dialogue with both our external and internal stakeholders enables us to acquire a clear understanding of their expectations and interests and allows us to establish and better understand relevant material CSR topics. Below, we have listed our key stakeholder groups and summarized the channels we use to maintain dialogue with them, and key topics raised in 2018. For each group, the engagement varies on a case-by-case basis, and includes formal and informal channels that are used to varying degrees of regularity.

HOW WE ENGAGED

EMPLOYEES, AND FUTURE TALENT

ONGOING

- Senior Management meetings including Corporate Plan and Senior Staff Meetings
- NINA (Safety) training and meetings
- WoW (Quality management) roll out meetings
- Information and engagement sessions on-site
- Website, intranet and internal social media

TOPICS DISCUSSED

- Voluntary Part of *Waterbouw Pensioen* for our crew under Dutch labour agreement
- New laws related to Privacy, Risk Assessments Harmonization of labor agreements of recently acquired companies (or their offspring)
- Retaining and attracting talent
- Sustainable employability
- Relevance of the United Nations Sustainable Development Goals to Boskalis

MULTIPLE TIMES A YEAR

- Sustainable Horizons Employee Workshops & Meetings
- Environmental Training Days
- Visits by Board of Management to projects and vessels
- Meetings between Works Council and Board of Management
- Employee (Cohesion) Magazine
- Family & CSR days
- Graduate recruitment days

RESULTS OF DIALOGUE

- Appropriate communication on pensions to concerned people
- Privacy rules adopted and implemented. Agreement reached on how to deal with Risk Assessments., approval of nominated Prevention worker
- Discussions on labor agreements for population former VBMS
- Further development of our talent management and engagement program

ANNUAL

- Supervisory Board visit to project site

CLIENTS

ONGOING

- Meetings, personal contact, email, telephone
- Conferences and exhibitions
- Press releases and websites
- Client meetings during project execution

SUBJECTS DISCUSSED

- Development and implementation of WoW & NINA
- Aligning sustainable design and execution, including Building with Nature approach
- Project progress meetings
- Stakeholder engagement on projects

RESULTS OF DIALOGUE

- Successful execution of multiple projects. Please refer to our Annual Report for more information
- Successful implementation and execution of Building with Nature projects

HOW WE ENGAGED

SUPPLIERS AND SUBCONTRACTORS

ONGOING

- Meetings, personal contact, email, telephone
- Conferences and exhibitions
- Implementation scans

TOPICS DISCUSSED

- Supply chain responsibility, including impacts on community
- Supplier Code of Conduct implementation scans
- BlueScan tool
- Health & Safety
- Contribution to supplier CSR Policies

RESULTS OF DIALOGUE

- Implementation scan results
- Further application of GoodFuel marine drop-in biofuel
- Participation of partners in NINA training courses
- Improvements to our social risk management processes

LOCAL COMMUNITIES, NGOs AND CIVIL SOCIETY ORGANIZATIONS

ONGOING/AD HOC

- Participation in consultation rounds of the Dutch Government together with NGOs, Ministries and the Dutch export credit agency on CSR
- Project level meetings with communities and grievance mechanisms

TOPICS DISCUSSED

- Creating shared value in the supply chain
- Social and cultural initiatives
- How to maintain an effective level playing field while promoting sustainable development

MULTIPLE TIMES A YEAR

- Discussion and contribution to industry platforms and working groups, such as via Ecoshape and European Dredging Association
- Speaking engagements at events and universities.
- Graduate recruitment days

RESULTS OF DIALOGUE

- Various community initiatives around the world
- Improvements to our social risk management processes
- Co-development of EuDA Sustainable Dredging Handbook

INVESTORS AND SHAREHOLDERS

ONGOING

- More than 300 investor meetings
- Conferences, email, telephone
- Press releases and website

SUBJECTS DISCUSSED

- Strategy and our financial performance
- Business Plan 2017-2019
- Market developments
- Financial results and outlook
- Project pipeline
- Capital allocation including M&A, dividend and divestments

MULTIPLE TIMES A YEAR

- Webcast presentations: 2017 Full Year and 2018 Half Year results

RESULT OF DIALOGUE

- Please see our Annual Report 2018

ANNUAL

- Supervisory Board visit to project site

HR DATA

The employees of joint ventures and the employees of Anglo Eastern, crew of the former Dockwise vessels, are included in the overall reporting in view of this group's substantial size. However, these employees are not employed by a Boskalis majority owned entity and are not included in the detailed reporting.

NUMBER OF EMPLOYEES

	2018	2017
Boskalis	5,912	5,772
Anglo Eastern	1,166	638
Subtotal	7,078	6,410
Joint Ventures	4,267	4,322
TOTAL	11,345	10,732

	2018	2017
NATIONALITIES		
Number of different nationalities	68	64

	2018	2017
WOMEN/MEN RATIOS		
Women	12%	10%
Man	88%	90%
TOTAL	100%	100%

COMPOSITION OF WORKFORCE

NUMBER OF EMPLOYEES BY COUNTRY	2018	2017
Netherlands	3,262	3,135
United Kingdom	646	225
Philippines	413	417
Germany	227	239
Finland	182	140
Belgium	162	287
Singapore	154	193
Cyprus	148	132
Lithuania	137	133
United Arab Emirates	128	130
Mexico	72	175
Poland	69	224
Argentina	48	7
Russian Federation	46	26
Nigeria	37	41
United States	26	25
Estonia	19	26
Latvia	18	19
Sweden	16	43
South Africa	14	14
Other	88	141
TOTAL	5,912	5,772

TYPE OF CONTRACT BY GENDER	TOTAL 2018	FEMALE : MALE	2017
Fixed term/project based	23%	9% : 91%	23%
Permanent/indefinite	77%	13% : 87%	77%
TOTAL	100%		100%

FULLTIME/PARTTIME RATIOS BY GENDER	TOTAL 2018	FEMALE : MALE	2017
Fulltime	92%	9% : 91%	89%
Parttime	8%	54% : 46%	11%
TOTAL	100%		100%

AGE PROFILE BY GENDER	TOTAL 2018	FEMALE : MALE	2017
Age <30	14%	16% : 84%	12%
Age 30 – 50	60%	13% : 87%	61%
Age >50	26%	9% : 91%	27%
TOTAL	100%		100%

COLLECTIVE BARGAINING AGREEMENTS BY GENDER	TOTAL 2018	FEMALE : MALE	2017
No	69%	16% : 84%	67%
Yes	31%	5% : 95%	33%
TOTAL	100%		100%

TRAINING

TRAINING HOURS BY JOB CATEGORY AND GENDER	TOTAL 2018	FEMALE : MALE	2017
Management	2,075	129 : 1,946	963
Office staff	18,369	5,064 : 13,305	23,351
Project staff	20,750	1,028 : 19,722	14,563
Crew/yard staff	36,663	327 : 36,336	38,922
TOTAL	77,857		77,799

RECRUITMENT

INFLOW BY AGE BY GENDER	TOTAL 2018	FEMALE : MALE	2017
Age <30	26%	19% : 81%	380
Age 30 – 50	55%	14% : 86%	831
Age >50	19%	11% : 89%	253
TOTAL	100%	14% : 86%	1,464

OUTFLOW BY REASON BY GENDER	TOTAL 2018	FEMALE : MALE	2017
Divestments	0%	0% : 0%	6%
End of project/contract	71%	6% : 94%	52%
Voluntary resignation	19%	21% : 79%	19%
Refirement/death	3%	11% : 89%	4%
Termination	6%	18% : 82%	19%
TOTAL	100%		100%

OUTFLOW BY AGE BY GENDER	TOTAL 2018	FEMALE : MALE	2017
Age <30	17%	14% : 86%	320
Age 30 – 50	57%	10% : 90%	1,100
Age >50	26%	7% : 93%	427
TOTAL	100%	10% : 90%	1,847

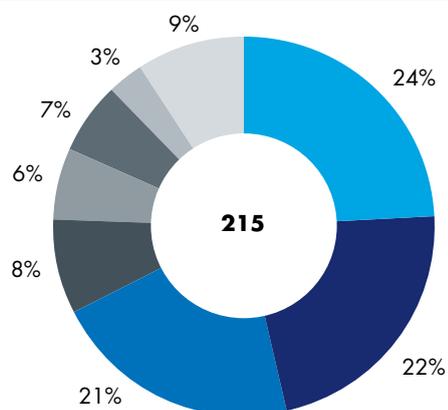
JOB CATEGORY PROFILE

JOB CATEGORIES BY GENDER	TOTAL 2018	FEMALE : MALE	2017
Management	3%	10% : 90%	3%
Office staff	31%	32% : 68%	24%
Project/Site Staff	26%	7% : 93%	27%
Workforce/Crew	40%	1% : 99%	46%
TOTAL	100%		100%

JOB CATEGORIES BY AGE	2018			2017		
	<30	30 T/M 50	>50	<30	30 T/M 50	>50
Management	2%	46%	52%	0%	51%	49%
Office staff	13%	63%	24%	19%	61%	21%
Project staff	20%	59%	21%	9%	66%	26%
Crew/yard staff	12%	59%	29%	11%	59%	30%
TOTAL	14%	60%	26%	12%	61%	27%

SHE-Q DATA

INCIDENTS 2018



■ Struck by/against	■ Contact with (heat, dust, etc.)
■ Falling/slipping/tripping	■ Overstress, overpressure
■ Caught between/in/on	■ Abnormal operation
■ Object in eye	■ Other

INCIDENT REPORTS 2018

Fatality	-
Lost Time Injury (incl. fatalities)	10
Restricted Work Case	27
Medical Treatment Case	36
First Aid Case	142
Occupational Health Injury / Disease	2
Near Miss	334
Environmental incidents	54
Safety Hazard Observation Card	27,710

	2018				2017			
	TRIR	LTIF	HOURS (MILLION)	LTI'S	TRIR	LTIF	HOURS (MILLION)	LTI'S
Dredging & Inland Infra	0.56	0.07	16.51	6	0.58	0.10	16.63	8
Offshore Energy	0.23	0.03	13.52	2	0.43	0.02	8.80	1
Towage (Northwest Europe) & Salvage	1.10	0.29	0.69	1	0.83	-	0.24	-
Others & Fleet Management	0.26	0.03	6.19	1	0.70	-	3.99	-
GROUP TOTAL	0.40	0.05	36.91	10	0.55	0.06	29.66	9

OVERVIEW OF CERTIFICATIONS BOSKALIS

	ISO 14001	OHSAS 18001 OR VCA ¹⁾	ISO 9001
DREDGING & INLAND INFRA	✓	✓	✓
OFFSHORE ENERGY	✓	✓	✓
SALVAGE	✓	✓	✓

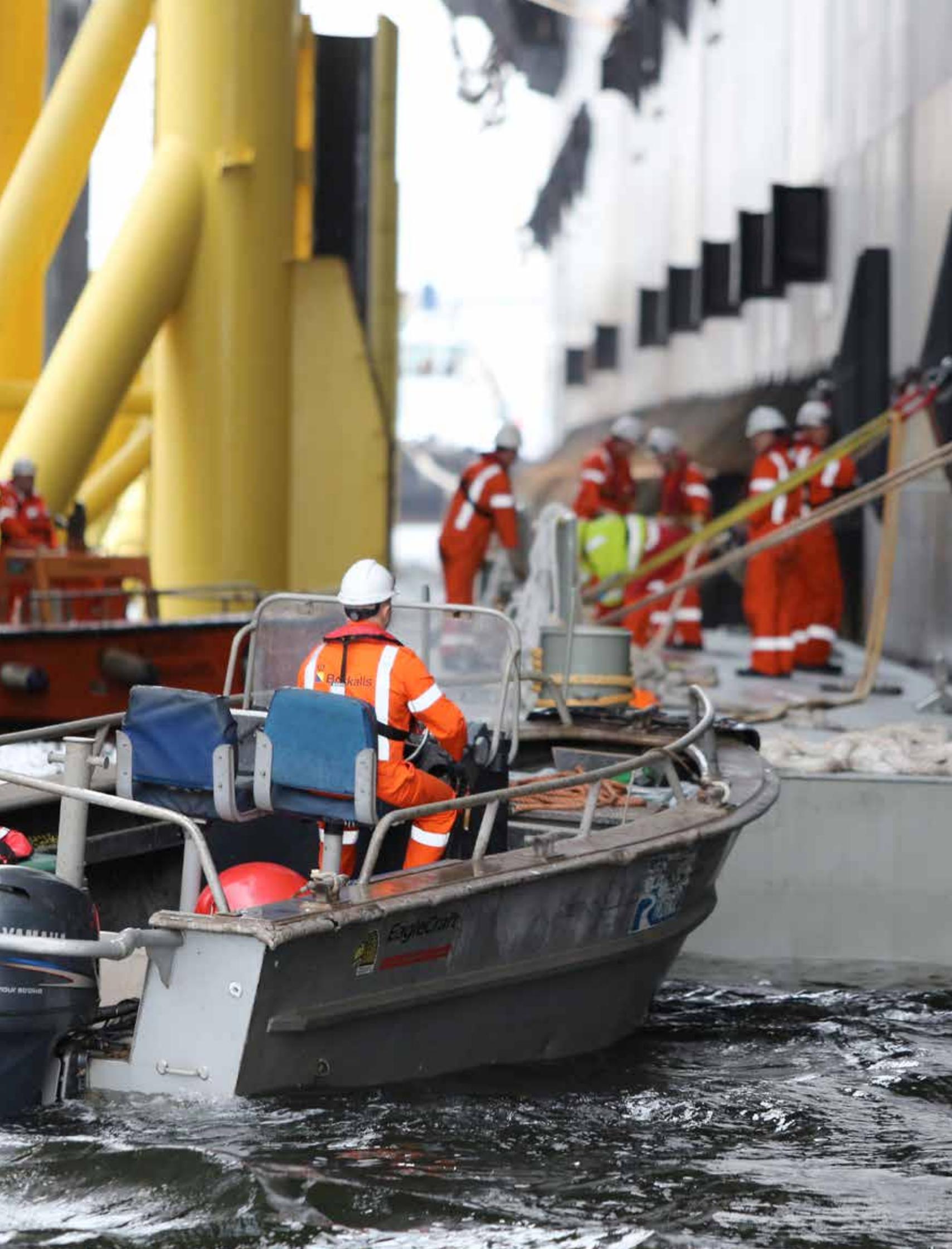
1) VCA only for projects and activities carried out in the Netherlands, instead of OHSAS 18001

EMISSIONS DATA

EMISSIONS DATA

	FLEET		OFFICES		CO ₂ 2018* MT ('000)	CO ₂ 2017* MT ('000)
	FUEL HFO MT ('000)	FUEL MGO MT ('000)	ELECTRICITY KWh (million)	GAS Mj (million)		
Dredging & Inland Infra	89	65			485	551
Offshore Energy	119	100			692	669
Offices			4	12	3	3
Total	208	165	-	-		
CO₂ MT ('000)	647	530	3	-	1,180	1,223

* For the method used to convert fuel to CO₂, see page 59 of this report.



INDEPENDENT LIMITED ASSURANCE STATEMENT

To the Stakeholders of Royal Boskalis Westminster N.V.

Introduction and objectives of work

Bureau Veritas Inspection & Certification The Netherlands B.V. (Bureau Veritas) was engaged by Royal Boskalis Westminster N.V. (Boskalis) to provide limited assurance over selected performance indicators to be presented in its Corporate Social Responsibility Report 2018 ("the CSR Report"). This Assurance Statement applies to the related information included within the scope of work described below.

Scope of work

The scope of our work was limited to assurance over the following information included within Boskalis' CSR Report for the period 1st of January to the 31st of December 2018 (the "Selected Information"):

- Direct greenhouse gas (GHG) emissions from the fleet and fuel consumption (MGO/MDO) from the fleet;
- Number of employees broken down by:
 - employment contract (permanent or temporary contract) and by gender;
 - employment type (part-time, full-time) and by gender;
 - country and number of nationalities;
- Inflow and outflow of new employees broken down by age (<30, 30-50, >50) and gender, and outflow by reason;
- Percentage of employees covered by collective bargaining agreements broken down by gender;
- Composition of workforce broken down by gender and by age (<30, 30-50, >50);
- Number of training hours broken down by gender and by job category (management, office staff, project staff, crew/yard staff);
- Talent management and engagement;
- Lost Time Injury Frequency (LTIF) and Total Recordable Injury Rate (TRIR);
- Total number of Lost Time Injuries (LTIs) and fatalities;
- Prevention of occupational and other diseases;
- Spend represented by strategic suppliers; and
- Percentage of strategic suppliers who have signed the Boskalis Supplier Code of Conduct.

Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period;
- Positional statements of a descriptive or interpretative nature, or of opinion, belief, aspiration or commitment to undertake future actions;
- Financial data taken from the Annual Report and disclosed in the CSR Report which are audited by an external financial auditor, including but not limited to any statements relating to production, tax, sales, and financial investments; and
- Other information included in the CSR Report other than scope defined above.

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Responsibilities

The preparation and presentation of the Selected Information in the CSR Report are the sole responsibility of the management of Boskalis.

The responsibilities of Bureau Veritas were to:

- Obtain limited assurance over the Selected Information;
- Form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- Report our conclusions to the Board of Management.

Assessment Standard

We performed our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15, 2015), issued by the International Auditing and Assurance Standards Board.

Summary of work performed

As part of our independent verification, our work included:

1. Conducting interviews with relevant personnel of Boskalis;
2. Reviewing the data collection and consolidation processes used to compile the Selected Information, including assessing assumptions made, collection processes, and the data scope and reporting boundaries;
3. Reviewing documentary evidence produced by Boskalis;
4. Confirming the accuracy of a selection of the Selected Information to the corresponding source documentation;
5. Reviewing Boskalis systems for quantitative data aggregation and analysis;
6. Performing analytical procedures of the Selected Information;
7. Re-performing aggregation calculations of the Selected Information; and
8. Assessing the disclosure and presentation of the Selected Information to ensure consistency with assured information.

Conclusion

On the basis of our methodology and the activities described above, nothing has come to our attention to indicate that the Selected Information is not fairly stated in all material respects.

Statement of Independence, Integrity and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 185 years' history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a Quality Management System which complies with the international standards and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspection Agencies (IFIA)¹, across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities.

The assurance team for this work does not have any involvement in any other Bureau Veritas projects with Boskalis.

Bureau Veritas Inspection & Certification The Netherlands B.V.



Sebastiaan ter Horst, Director Certification
Amersfoort, 6 March 2019

GLOSSARY

Ballast water Used in ships to improve depth, stability and strength when the ship is not fully loaded. It can have a negative environmental impact due to the spread of invasive species.

BlueScan Tool that allows companies throughout the entire maritime sector to execute assessments of the sustainability level of their suppliers.

BREAAAM Leading assessment method that recognizes and reflects the value in higher performing assets across the built environmental cycle. BREAAAM certified buildings are more sustainable environments that enhance the well-being of the people who work in them and help protect natural resource.

Building with Nature Innovation program that focuses on sustainable hydraulic engineering concepts for river, coastal and delta areas. Using the natural system as a basic point of departure, it uses ecosystems to meet society's infrastructural needs while boosting the development of nature at the same time.

BWM Convention Ballast Water and Sediments Convention adopted by the IMO and that came into force on 8 September 2017.

Cash flow Group net profit + depreciation + amortization + impairment losses.

CO₂ Carbon dioxide is an odorless and colorless gas that exists in the earth's atmosphere.

CSR Netherlands Network of Dutch companies, authorities and NGOs that are striving towards corporate social responsibility. More than 200 companies are affiliated with this networking organization.

Cutter suction dredger Vessel that dredges while being held in place using spuds and anchors. This technique combines powerful cutting with suction dredging. Mainly used where the sea- or riverbed is hard and compact. The dredged material is generally pumped to land through a pressure pipeline.

Decommissioning Dismantling and/or removal of oil and gas rigs which have been permanently taken out of service.

Drop-in biofuels Produced from biomass and an alternative to existing liquid fuels, without requiring any significant modification in engines or installations.

Dutch Society for the Preservation of Nature Manages, protects and revitalizes over 100,000 hectares of nature in the Netherlands, doing so as a long-term commitment for the benefit of current and future generations.

EBIT Earnings before interest and tax.

EBITDA Earnings before interest depreciation, amortization and impairment losses.

EuDA European Dredging Association is a non-profit industry association for European dredging companies and related organizations.

EMCC European Mentoring and Coaching Council exists to develop, promote and set the expectation of best practice in mentoring and coaching across Europe and beyond, for the benefit of society.

Emissions Trading System Cornerstone of the EU's policy to combat climate change and its key tool for reducing greenhouse gas emissions cost-effectively. It is the world's first major carbon market.

EMPP Environmental Monitoring and Management Plan is a tool to proactively manage and confirm that impacts of dredging, reclamation and other marine construction activities do not exceed the stipulated Environmental Quality Objectives (EQOs) for the project.

Energy transition Building towards a society that is less dependent on fossil fuels.

Environment and Social Impact Assessment (ESIA) Widely used method to analyze, assess and measure the social and environmental effects of a project on the community and the natural surroundings.

EPC Engineering, procurement and construction services.

Global Reporting Initiative International organization that develops global standards for sustainability reporting.

Green valve System to exclude air bubbles during the overflow from the hold of a trailing suction hopper dredger from excess water containing fine sediment. The sediment reaches the bottom more rapidly, decreasing the turbidity in the water column.

GT Gross tonnage.

HFO Heavy Fuel Oil.

IADC International Association of Dredging Companies the global umbrella organization for private dredging contractors.

IMO The International Maritime Organization is a specialized agency of the United Nations. Its primary purpose is to develop and maintain a comprehensive regulatory framework for safe and sustainable shipping.

ISM Code International Safety Management Code for the Safe Operations of Ships and for Pollution Prevention: an international standard for compliance with safety regulations and the prevention of pollution on sea-going vessels. The ISM Code requires ship managers to implement and maintain a safety management system.

ISO standard Standards issued by the International Organization for Standardization. Standards include quality management systems (ISO-9001) and environmental management systems (ISO-14001).

LTI Lost Time Injury expresses the number of workplace accidents serious enough to result in absence from work.

LTIIF Lost Time Injury Frequency per 200,000 hours worked.

LNG Liquefied Natural Gas.

MDO/MGO Marine Diesel Oil/Marine Gas Oil.

MT Metric Ton

Net Group profit Net profit + net profit attributable to non-controlling interests.

NEVI Code of Conduct Helps procurement professionals, as well as all other parties/stakeholders in the procurement process, deal with the ethical dilemmas they face in their work. The code is based on four core values: business ethics, expertise and objectivity, open competition, and sustainability.

NGO Shipbreaking Platform Coalition of 19 environmental, human rights and labor rights organizations working to prevent the dangerous pollution and unsafe working conditions caused when end-of-life ships containing toxic materials in their structure are freely traded in the global marketplace.

NINA (No Injuries No Accidents) Boskalis safety program to achieve an incident and accident-free working environment. NINA sets out Boskalis' vision on safety and describes the safety conduct the company expects from its staff and subcontractors. The program makes people aware of their own responsibility and encourages them to take action to prevent unsafe situations.

OECD Guidelines for Multinational Enterprises Recommendations that provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognized standards.

Operating result EBIT - impairments including joint ventures.

Order book Contract revenue as yet uncompleted.

Return on equity Net profit as % of average shareholders' equity.

Room for the River program Provides the rivers in the Netherlands with more room to prevent flooding.

Scope 1 and 2 emissions Categories for reporting greenhouse gas emissions. Scope 1 are emissions from sources that are owned or controlled by the organization. Scope 2 are emissions from consumption of sources of energy generated upstream from the organization.

Safety Hazard Observation Card (SHOC) Used to report hazards and suggestions for improving safety. SHOC trend analysis gives insight in how people experience safety in their daily work.

SHE-Q Safety, Health, Environment and Quality.

Solvency Group equity as % of balance sheet total (non-current assets plus current assets).

Sustainable Development Goals (SDGs) Set of seventeen goals with specific targets. Formulated by the United Nations through a deliberate process involving its 193 Member States, as well as global civil society, the goals define the global sustainable development priorities and aspirations for 2030.

Supplier Code of Conduct Requirements drawn up by Boskalis for its suppliers of products and services. Boskalis wants to do business with suppliers who act responsibly and with integrity. The Code is an integral part of any agreement between supplier and Boskalis.

Social Impact Program Aims to set out a social impact approach within Boskalis that gives this aspect of our activities a firm foothold within our organization.

Trailing suction hopper dredger Self-propelled vessel that loads its well or hopper using centrifugal pumps and pipes that trail over the bed as the vessel sails. These vessels can transport material over long distances. The dredged material is dumped through flaps or bottom doors, by rainbowing, or pumped onto land using a pipeline.

Transparency Benchmark Annual assessment on behalf of the Dutch Ministry of Economic Affairs of the content and quality of CSR reports of Dutch companies.

TRIR Total Recordable Injury Rate Number of LTI's, restricted work cases and medical treatment cases per 200,000 hours worked.

Turbidity Caused by churning up the seabed- or riverbed during dredging activities, which reduces the incidence of light in the water. This can be temporarily detrimental to underwater animal and plant life.

VCA Safety, Health and Environment Checklist for Contractors applicable to our Dutch operating companies.

UN Global Compact Voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals.

Waste Shipment Regulation (WSR) EU regulation regarding the shipment of waste across borders. It includes a ban on the export of hazardous wastes to non-OECD countries, as well as a ban on the export of waste for disposal.

Workday Boskalis HR information system for measuring and evaluating employees' personal development and performance.

WoW Boskalis Way of Working, quality management system that aims to achieve operational excellence with a clear focus on safe and sustainable solutions and a consistent client approach.

COLOPHON

Compiled and coordinated by

Royal Boskalis Westminster N.V.

Corporate Communications Department

Group Controlling Department

www.boskalis.com



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