



About this report



Reporting scope

	Financial	Chain	Society	Environment	Workforce	Safety
Corporate (hh)						
Dredging & Earthmoving						
Maritime Infrastructure						
Maritime & Terminal Services						

In its first Corporate Social Responsibility (CSR) report, Boskalis reports on its performance in the context of sustainability over the period January 1, 2009 through to December 31, 2009. Sustainability to us means wanting to ensure our activities add value or that possible harm is kept to a minimum; not just from an economic point of view but also from a social, environmental and community perspective. In this CSR report we provide further details on this and we intend to publish a CSR report every year from now on. We have sought to comply with key performance indicators as set out in the Global Reporting Initiative standard (version G3), and intend to maintain this standard in the years ahead.

The Global Reporting Initiative Index table on page 62 shows the topics covered in the report. The financial reporting in the section 'Who we are' is derived from the Annual Report of Royal Boskalis Westminster N.V. For the time being, as far as CSR aspects in 2009 are concerned, we are focusing on the core of Boskalis: our central fleet and our people who are deployed in our Dredging & Earthmoving product segment. Generating over 83% of our revenue, this is the most important of our three product segments. Unlike our financial reporting, this report does not cover the Maritime Infrastructure and Maritime & Terminal Services product segments. These activities are performed by Archirodon and Lamnalco respectively, affiliated companies in which we do not have a majority interest. Accounting for 14% and 3% of total revenue, respectively, these activities are not of material significance. Furthermore, we are only able to exert a limited influence on the CSR policy of these affiliated companies. Nor has the CSR performance of Smit Internationale N.V., the company with which we are planning to merge in the course of 2010, been included at this time.

Over the coming years we intend to broaden and deepen our CSR reporting, as explained in the 'Ambition' section.

Our core business Dredging & Earthmoving has an impact on both our social and our environmental performance. Our efforts in the social field are focused mainly on our people and their safety, while our environmental efforts are aimed at reducing the impact of our projects on the environment.

The reporting section of this CSR report is divided into six key areas:

- A description of **who we are** including our key figures and results for 2009
- A description of our **value chain**
- Our CSR efforts aimed at the **community**
- Our efforts to protect the **environment**
- Our social policy aimed at our **employees**
- Our **safety** policy aimed at all our employees, suppliers and subcontractors

Within these key areas, reporting is based on relevant parameters and available data. Each key area is subdivided into the following levels: corporate, offices, ships and projects.

The CSR report was created under the auspices of the Board of Management. It was compiled by a multidisciplinary CSR team with representatives from head office and the home markets.

This is a translation of the 'Corporate Social Responsibility verslag' in the Dutch language. In case of discrepancies the Dutch version prevails.

PricewaterhouseCoopers Accountants N.V. has verified the report and declared it C+ level. The GRI table (page 62) explicitly lists the indicators reported on by Royal Boskalis Westminster N.V.

The Assurance report with sustainability information can be found on page 63. The process was important to us to perform an extra verification of the information in this report so as to enhance its accuracy and completeness for our stakeholders.



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Chairman's statement

Dear reader,

It is with great pleasure that we present you with Boskalis' first CSR report, concerning our activities in 2009.

Over the past decade we have worked hard to improve the various aspects of our wider corporate social responsibility and these efforts have paid off. For example, we have gone to great lengths to enhance safety levels for the people working on our projects and aboard our ships, and have gained a much better insight into the environmental impact of our techniques.

However, to date we have omitted to present you with an informative, coherent report on these efforts. Moving forward we wish to correct this oversight by introducing an annual Corporate Social Responsibility (CSR) report, the first edition of which now lies before you.

Boskalis is a leading global dredging and marine contractor. We provide our clients with a wide range of services within the range of design, project management, execution and operation. Our operations are spread around the world and across three market segments: the oil and gas sector, ports, and projects related to land reclamation and coastal protection. We aim to occupy a leading

position within our industry while looking after the best interests of all our stakeholders: our clients, shareholders and suppliers, as well as the relevant social organizations.

Through our activities we are committed to adding sustainable value to the surroundings in which we work. The infrastructure works we carry out all over the



world contribute towards the economy, create jobs, and enhance a region's social structure and safety.

We are well aware that the construction of marine infrastructure can have an adverse impact on the environment and ecology of the area concerned. The negative effects on the ecological system can be mitigated by optimizing design and work methods. This is why we invest at company and sector level in the development of environmental knowledge and groundbreaking technology. A good example is Building with Nature, a program in which Boskalis has been involved right from the very beginning (see pages 33 through 35).

We realize that the nature of our activities involves potential safety risks for our employees, sub-contractors and suppliers. The safety of the people aboard our ships and on our projects must always come first when executing our projects. Thanks to our constant efforts we have managed to achieve a 75% company-wide reduction in lost time injury frequency over the past decade. In order to continue this trend going forward we will be launching a new company-wide safety program in 2010.

Our clients judge us more and more on a wider spectrum of criteria. Environmentally-friendly work methods, safety procedures, good working conditions and the contribution to the local economy are becoming increasingly important to clients. To be able to meet this wider array of criteria required by growing number of clients, necessitates our commitment and wide-spread participation. This development has prompted us to make the strategic choice to position ourselves more widely as a supplier of integrated maritime services.

**CSR is focused on the core of our company
– Dredging & Earthmoving**

**Areas of attention: the environment,
safety, our workforce and society**

First CSR report at C+ level

**Future ambitions: broaden the scope
of CSR reporting**

This allows us to add value throughout the chain – from the initiative/design phase, the construction phase and the operational phase right through to the maintenance phase. In doing so, we can make the best possible contribution to society and the environment while focusing on the well-being of our employees.

In this first CSR report we want to give you an insight into our activities and initiatives in the field of sustainable and socially responsible business practice. We hope you find the report of interest.



dr. P.A.M. Berdowski,
March 17, 2010

Who we are

Royal Boskalis Westminster N.V. is a leading global dredging and marine contractor. Boskalis provides its clients with a broad range of services within the design, project management, execution and operating phases. Our operations are spread around the world and across three market segments: Oil & Gas, Ports, and projects related to Land Reclamation & Coastal Protection. This gives us both a stable foundation and the flexibility to take on a wide range of projects, which in turn gives us excellent prospects for balanced growth. Our main clients are national, regional and local governments, port operators, international project developers, oil companies, mining companies and other contractors. Demand for our services is driven by a number of distinct global trends including rising energy consumption, the growth in world trade and the global population and climate change.

Product segments

Boskalis has three product segments. The main segment is Dredging & Earthmoving, which includes port development, offshore projects, land reclamation and coastal and riverbank protection. The second segment is Maritime Infrastructure, which we are involved in through our strategic partnership with Archirodon, a leading contractor in this sector. The third product segment is Maritime & Terminal Services and comprises the services we offer through our strategic partnership with Lamnalco, one of the world's leading suppliers of maritime terminal services to the oil and gas industry.

The Dredging & Earthmoving product segment is subdivided into home markets, international projects and specialist niche services.

Global spread

We operate in more than 50 countries across five continents. What makes Boskalis unique is that we have strong home market positions in various countries. We have our own offices in the Netherlands, Germany, the United Kingdom, Sweden and Finland, Mexico, Nigeria and the United States. We also have a diverse global network of regional market positions, making us both a local and global competitor. Boskalis' head office is located in Papendrecht in the Netherlands.

Modern equipment, excellent expertise

Our balance of home market strength with international reach and capacity makes us one of the world's leading dredging and marine contractors, with one of the largest and most technically advanced fleets. We can provide cutting-edge expertise and equipment that tends not to be available locally, while offering the scale needed to tackle the most extensive infrastructure projects. The expertise of our employees allows us to meet the most stringent health, safety and environmental standards.

Boskalis continually invests in its versatile fleet, which currently consists of over 300 ships. The large production units are managed centrally from the head office and made available for the projects.

Including its share in partnerships, Boskalis has over 10,000 employees. Our experienced professionals are constantly on the lookout for attractive new business opportunities around the world.

Strategy: focus, reinforce and expand

Boskalis pursues a market and value-focused strategy based on the long-term growth of the global markets in which we operate - Oil & Gas, Ports, and Land Reclamation & Coastal Protection. Our strategy is driven by four global trends: rising energy consumption, growing world trade, population growth













(particularly in coastal areas) and the challenges posed by climate change, including protection against extreme weather conditions. We view these trends as opportunities to strengthen our position. Recent client research has provided us with more knowledge and insights into our three market segments and has led to a restatement of our strategy. In addition to the trusted mono-disciplinary approach, demand for a multi-disciplinary approach is on the rise. In this case clients engage us in a project at an early stage, for example for feasibility studies, assisting in environmental impact assessments and engineering activities. There is also growing client demand for us as the main contractor to assume the role of project manager, offer a wide array of services and assist in arranging financing, if possible.



These insights have prompted us to position ourselves more broadly as a supplier of integrated marine infrastructure services. In the value chain of our clients we already offer combined services on a limited scale: Dredging & Earthmoving as the primary activity, Maritime Infrastructure and Maritime & Terminal Services as additional services.

Leading maritime services provider with global spread

International employer with over 10,000 employees

2009: revenue € 2.2 billion, net profit € 228 million

Business drivers		Oil & Gas	Ports	Land Reclamation & Coastal Protection
Growing energy consumption	<ul style="list-style-type: none"> - Global energy consumption to increase by 50% by 2030 - Ongoing need for investments in exploration, production and transport infrastructure 			
Growing world trade	<ul style="list-style-type: none"> - World trade grows twice as fast as world GDP - Structural demand for marine infrastructure 			
Population growth	<ul style="list-style-type: none"> - World population to increase by 50% by 2050 - Much of the growth will be in Asian coastal areas 			
Climate change	<ul style="list-style-type: none"> - Preventive coastal protection initiatives worldwide - Also driven by incidental weather problems 			

 Strong impact
  Limited impact

To further expand this integrated service offering we are focusing our strategy on expanding our product segments within the three defined market segments. In light of this, the activities of Smit Internationale N.V. are an excellent fit within our strategy. The proposed merger will enable us to strengthen and expand our maritime services more quickly. The merger will create a world-class maritime services provider with an excellent platform for further growth.

Our CSR policy is consistent with our value-focused strategy that increasingly targets clients committed to sustainability in both the design and construction phases. We want to ensure the continuity of our company while at the same time creating value in our chain through our social, environmental and community performance.

Key figures and results

In 2009 the net profit of Royal Boskalis Westminster N.V. fell to € 227.9 million (2008: € 249.1 million). Revenue was a record € 2.2 billion (€ 2008: 2.1 billion) and was widely spread, both geographically and across all market segments.

The net profit figure of € 227.9 million includes a € 35.3 million exceptional gain on the stake held in Smit Internationale N.V. and an exceptional impairment charge of € 39.7 million (after tax) relating to the older part of the fleet.

In 2009 Boskalis was awarded new orders worth € 1.8 billion. As a result, Boskalis was able to end the year with a strong order book of € 2.9 billion, even with a record revenue and amid difficult market conditions.

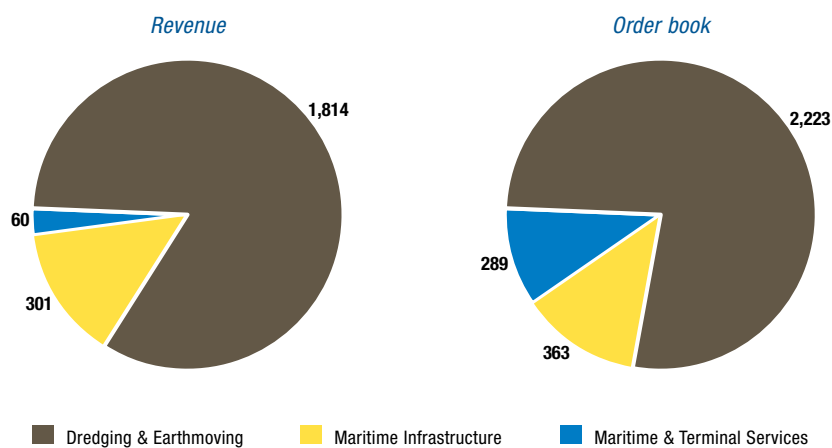
Vision:	To be the leading services provider of creative and innovative all-round solutions for infrastructural maritime challenges	
Mission:	<ul style="list-style-type: none"> • To be our clients' first choice • To be the employer of choice in our industry for our employees • To excel at creating value for our shareholders • To do business in a commercially sound and socially responsible way for our stakeholders 	
Our core values:	<ul style="list-style-type: none"> • Safety • Entrepreneurship • Professionalism 	<ul style="list-style-type: none"> • Teamwork • Global adaptability • Reliability and integrity

*Key figures 2008 – 2009**(amounts x € 1 million, unless stated otherwise)*

	2009	2008
Revenue (work done)	2,175	2,094
Order book (work to be done)	2,875	3,354
Operating result	249.3	339.1
EBITDA	445.0	454.6
Net profit	227.9	249.1
Net group profit	229.2	250.1
Depreciation, amortization and impairment losses	195.7	115.4
Cash flow	424.8	365.6
Shareholders' equity	1,296	860
Personnel (headcount)	10,597	10,201
Ratios (percentages)		
Operating result as % of revenue	11.5	16.2
Return on capital employed	20.4	29.0
Return on equity	21.1	30.6
Solvency*	46.5	34.0
Figures per share (in €)		
Profit (based on year end)*	2.31	2.90
Dividend	1.19	1.19
Cash flow	4.81	4.26

* Refer to glossary for definitions and abbreviations

Please refer to appendix 'Ten-year overview of Boskalis' for a review of the key figures in the past decade.



Organization and Corporate Governance

Boskalis operates a two-tier board system with a clear division of executive and control responsibilities. The company is managed by the Board of Management, while the Supervisory Board is committed to maintaining the corporate governance standards.

The Boskalis governance model is based on a close and constructive collaboration between the Supervisory Board and its committees, the Board of Management and our stakeholders. Stakeholders are those groups and individuals that directly or indirectly influence our ability to reach our business objectives or are influenced by these objectives. These include our employees, shareholders and other financiers, suppliers, clients, government bodies and the communities in which we operate.

Legal structure

Boskalis is a public limited company listed on NYSE Euronext Amsterdam and governed by the large company regime. More information on the legal structure of the company is available in the appendix to this report and the Annual Report.

Organizational changes in 2009

The Supervisory Board currently consists of five members. In the year under review Mr. R.M.F. van Loon stepped down as chairman and member of the Supervisory Board on March 17, 2009. In accordance with the retirement rota for the

Supervisory Board, in 2009 two of the five members came up for reappointment at the General Meeting of Shareholders. Messrs. Heemskerk and Niggebrugge were reappointed for a period of four years in compliance with the procedures laid down in the Articles of Association, the Corporate Governance Code and the Supervisory Board regulations. The Supervisory Board also appointed Mr. Heemskerk chairman of the Board with effect from that date. On August 19 Mr. M.P. Kramer was appointed as his successor as a member of the Supervisory Board by the Extraordinary General Meeting of Shareholders.



Corporate Governance

The Board of Management and the Supervisory Board are responsible for guarding the long-term interests of our stakeholders while seeking to create shareholder value in the long term.

The Board of Management consists of three members:

- dr. P.A.M. Berdowski, chairman (1957)
- Mr. T.L. Baartmans, group director International (1960)
- Mr. J.H. Kamps, Chief Financial Officer (1959).

The Supervisory Board consists of five members:

- Mr. H. Heemskerk (1943), chairman
- Mr. M.P. Kramer (1950)
- Mr. M. Niggebrugge (1950)
- Mr. M. van der Vorm (1958)
- Mr. C. van Woudenberg (1948).

All members of the Board of Management and the Supervisory Board hold Dutch nationality. They do not hold shares or associated option rights in Royal Boskalis Westminster N.V.

At least one General Meeting of Shareholders takes place every year. Its tasks include the adoption of the financial statements and the appointment and dismissal of Supervisory Board members. All material changes in the corporate governance structure are submitted to shareholders for approval.

The Works Council protects the interests of employees and ongoing employee representation in the context of the Dutch Works Councils Act. It is the task of the Works Council to ensure that management objectives are aligned with those of employees.

A more detailed account of our Corporate Governance and more information on board members can be found in our annual report and on our corporate website.

The Apply or Explain report sets out the manner in which the Dutch Corporate Governance Code

is implemented in the company, as well as the rules governing the Supervisory Board and its committees. The report can be found on the corporate website.

Integrity

Statement of general business principles

Boskalis' activities are governed by a Statement of general business principles, the full text of which can be found at our corporate website

(downloads/corporate/corporate social responsibility).

The Statement of general business principles

expands on:

- Our commitment to society
- Our commitment and responsibility to the environment
- Our responsibilities to employees
- Our commitment to maintaining quality
- Our conduct towards clients
- Our commitment to investors
- Our conduct towards suppliers.

Anyone who asks us about our compliance with the Statement of general business principles can expect us to engage in open dialogue. Every genuine request, suggestion and complaint is taken seriously. The Board of Management assesses the provisions of the Statement of general business principles periodically at least once every two years. The last assessment took place in early 2010.

Regulations for the prevention of insider trading

Regulations are in place to prevent insider trading in Royal Boskalis Westminster N.V. securities. Each employee must comply with these regulations. Employees who possess information that might reasonably be deemed to be price-sensitive may not trade in our share or recommend third parties to do so. It is prohibited to share price-sensitive information with third parties or to trade in our share during the closed period prior to the publication of annual or semi-annual results. These rules also apply to members of the Supervisory Board and the Board of Management.

Value chain

Sustainability for us means that we want our activities to create value. The infrastructure work we do around the world has a positive impact on the economy, employment, social conditions or the safety in a region. Taking our corporate social responsibility also means being held accountable for intervention with nature. We have a reputation for taking due care in these activities. We strive to keep the impact of our activities on ecological systems to an absolute minimum. The nature of our activities also carries certain safety risks in the execution phase. The safety of our employees and the people working with them is always our main priority.

Reporting scope

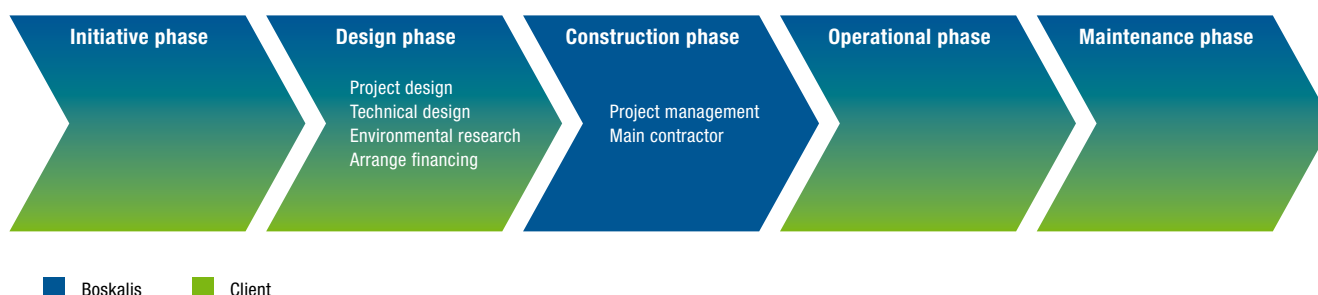
	Chain
Corporate (Head office)	
Dredging & Earthmoving	

We are increasingly witnessing that while price remains an important consideration for our clients when it comes to awarding contracts, it is no longer the decisive or only selection criterion. Environmentally-friendly work methods, safety procedures, good working conditions and the contribution to the local economy are becoming increasingly important to our clients. Accordingly we are experiencing a growing number of clients

that expect our input beyond the construction phase. This has resulted in a strategic decision to position ourselves more widely as a supplier of integrated maritime services.

Together with the client we are able to provide the most added value in the design phase of the chain because it enables us to have a maximum impact on the construction phase.

The Boskalis project chain for instance for a harbor construction



Adding value in the initiative and design phases

Creating large-scale maritime infrastructure is our core business, whereas our clients are often less experienced in this field. By entering into a partnership with the client, we are able to make an expert contribution already in the design phase (early contractor involvement). This involves not only our knowledge and know-how of hydraulic engineering, but also our ecological knowledge and experience. We have this knowledge at our disposal, for example through our own engineering company Hydronamic. Together with the client we come up with a design with work methods that best suit the requirements of the environmental permit. An example of the added value we provide in the initiative and design phase is the Melbourne project in Australia. We will expand on this project in the topic text later in this section.

We are constantly investing in our environmental expertise by doing both applied research and fundamental research. We are one of the initiators of 'Building with Nature', an innovative program aimed at the development of new design concepts for river, coastal and delta areas. The objective of this program is to research how human activities and nature can strengthen each other as best as possible. More specifically the program examines the effects of human intervention on the ecosystem. And how work methods can be adjusted to minimize the environmental impact. This research is aimed at creating internationally accepted sustainable design standards. The five-year research program was launched in 2006 in close collaboration with other companies, relevant government bodies, universities and knowledge institutions.

We can also play a role in the initiative and design phase by utilizing our financial expertise. Thanks to our financial experts we were able to secure an ORET subsidy from the Dutch Ministry of Foreign Affairs to assist in the reconstruction of Vilufushi and Viligili, two of the islands in the Maldives that were severely hit by the tsunami in 2004. An environmental impact assessment was started in

Adding value throughout the chain – also from a CSR perspective

Clients involve Boskalis in more and more parts of the chain

Designing together with the client for the best possible result

2009 to make another three islands in the Maldives safer. We will expand on this in the 'Environment' section of this report.

Our strong track record enables us to become increasingly involved in complex projects at an early stage. An example is the fact that we were involved in the Gorgon project in Australia a year before the project was awarded. In addition, our environmental expertise and the presence of local employees were important factors in winning the project.

Adding value in the construction phase

The impact of our activities on the environment is greatest during the construction phase and this is an important area of attention for us. We try to limit the impact on the environment by making use of innovative work methods, environmental techniques and modified or specially designed equipment. Our sophisticated projection models and monitoring systems have already earned us a strong reputation in our market.

The topic text about the projects in the Maldives and Jamaica in the 'Environment' section is a good example. Also, a number of case studies that illustrate our approach can be found on our website under 'Sustainability'.

We often create employment locally and take our responsibility to all our employees extremely seriously. Our responsibilities are described in the 'Employees' and 'Safety' sections, as well as in our Statement

of general business principles (see our website downloads/corporate/corporate social responsibility).

We are also very conscious of the impact our activities can have on the local communities in which we operate. The challenge we face is to find the right balance. We want to be a good contractor and at the same time a good citizen and guest. In doing so, we balance within the parameters set by our clients, and are highly aware of our responsibilities. Where possible, we add value to the location and/or local community in which we operate. Various examples are included in the 'Society' section.

In the construction phase we increasingly take on the role of main contractor. That means that we are responsible for the project areas that we do not execute ourselves and for which we make use of subcontractors.

In the construction phase we also use suppliers who provide goods relating to our primary process, including our equipment. In 2009 we made an initial estimate of the number of suppliers and we want to introduce criteria for enhanced supplier selection. We therefore believe it is our responsibility to subject our subcontractors and suppliers to certain CSR criteria. This will be further outlined in 2010.

Adding value in the operational phase

Our subsidiary Lamnalco is a leader in the fast-growing market for maritime services for oil and gas terminals. Lamnalco's activities comprise escorting, berthing and unberthing oil and gas tankers calling at terminals or Floating Storage and Offloading systems, shipping scheduling and terminal management, logistic services for offshore activities and surface and subsurface maintenance operations to all existing mooring systems. Lamnalco also provides specialists such as pilots, mooring staff, maintenance teams and divers.

The proposed merger with Smit Internationale N.V. will be a big step forward for these services.

Adding value in the maintenance phase

We can become responsible for the necessary maintenance once a client starts using a port or a plot of new land, or once we have completed a coastal protection project. Examples are the ongoing maintenance of access channels or harbor basins. Thanks to our knowledge of the area in question, we are able to take the necessary steps quickly and efficiently to ensure continued accessibility. By taking future maintenance into consideration in the design phase we are able to add value for our clients. After all, it means that the project is designed in such a way as to ensure that maintenance is performed as efficiently as possible.

Examples are the 25-year maintenance and coastal protection of Pevensey Bay in the United Kingdom and long-term maintenance contracts for the access channels dredged by us in the Berbice River in Guyana and the Rio de la Plata, Martin Garcia estuary on the border between Argentina and Uruguay. More information about these projects is available on our website.

Our expertise can also be called upon for soil and waterbed remediation. Our subsidiary Boskalis Dolman executes noteworthy soil remediation projects both domestically and globally, while aiming to re-use as much material as possible. To support these activities Boskalis Dolman possesses its own management support office, research department and laboratory. In 2009 Boskalis Dolman started a sizeable soil remediation project: the Fox River project in the US. We will expand on this in the 'Society' section.



Extension Port of Melbourne

The Port of Melbourne is the largest port in Australia, managing 37% of all Australian container traffic. It has ambitious plans to increase container handling fourfold: from 2 million at present to 8 million in 2035. In order to achieve this planned expansion it is necessary to extend the port and deepen the entrance and navigation channels leading to it, thus improving access for container ships with a draft of up to 14 meters.

Preservation of biodiversity

In addition to the national economic importance of the port, there is also the unique nature of its location: Port Phillip Bay. The bay measures approximately 2,000 km², has a coastline of 264 km and is home to two marine national parks. It is the habitat for a range of species of fish, small penguins, whales, dolphins and seals, as well as various cold-water corals and seagrass beds. For approximately 3 million local residents, it is an

important recreational area. From the very start, it was clear that the environmental component of the project was essential, and that many local residents had serious concerns about the impact of the work on biodiversity in the bay.

Mission impossible

The environment was not the only challenge; there were also questions about technical feasibility. The bed of the entrance to the bay consists of



hard rock. The entrance is located in the most turbulent – and potentially dangerous – section of the Bass Strait. Until 1986, this area had been deepened using explosives but this was no longer an option due to the large risk of environmental damage. Generally speaking, hard rock is dredged using stationary cutter suction dredgers. However, this solution was not feasible given the swell, strong currents and the slow maneuverability of cutter suction dredgers – and the resulting hinderance for local shipping traffic. So the existing techniques were ruled out for this part of the project.

The project also involved deepening the shipping channels in the bay, removing approximately 21 million m³ of sand and clay and 1.4 million m³ of silt contaminated with heavy metals, pesticides and other toxic substances. A solution was also required to eliminate the risk of larger ships damaging the existing pipelines in one of the shipping channels. In short, there was every reason to dub the project a 'mission impossible'. For this major expansion operation, the Port of Melbourne Corporation needed a contractor who was prepared to share responsibility for the execution of the project and for the risks.



The alliance contract

A risk-sharing alliance contract was signed with Boskalis Australia PTY Ltd. in May 2004.

During the years that followed, work took part in partnership on the extensive environmental impact assessment. A lot of energy also went into supplying information to all the stakeholders, with a special website and numerous hearings, workshops, panel discussions and presentations. And before the work started, an extensive monitoring program was also initiated to map out the situation in the bay. An environmental plan was then drafted with the most stringent criteria ever applied in Australia for a dredging project. The

idea was that the monitoring program would also remain operational in the bay for years to follow, safeguarding compliance with the environmental criteria. Furthermore, Boskalis developed the innovative equipment needed for the project.

To deepen the entrance to the bay, a unique ripper draghead was developed and installed on the trailing suction hopper dredger Queen of the Netherlands. This was the first time ever that a trailing suction hopper was used to dredge rock. In late January 2008, the Queen of the Netherlands began the dredging work and the job was completed successfully and in keeping with the



The trailing suction hopper dredger Queen of the Netherlands. The small picture shows the ripper draghead.

stated environmental requirements on September 17, 2009. A total of 461,000 m³ rock was removed from the entrance.

Boskalis also developed a special spray head for covering the contaminated silt in the designated deposit, as well as a special frame for covering the existing operational pipelines on the seabed with steel sheets precisely and within tight tolerances.

Successful completion

The project was successfully completed ahead of schedule in late November 2009. Stephen Bradford,

the CEO of the Port of Melbourne Corporation, used the press release that followed to confirm the crucial role played by Boskalis as the alliance partner. He thanked Boskalis for the ten-meter-high sculpture 'Footprint Alliance', a gift from Boskalis to commemorate the completion of the project. The work of art created by Ruud Kuijer that symbolizes the exceptional project, has been placed close to the training center in the port.

Roads and Ports Minister Tim Pallas granted the project the prestigious National Infrastructure Award on May 12, 2010.



The special developed frame 'Yarra tree' covered the operational pipelines in the bay.



The ten-meter-high sculpture 'Footprint Alliance'.

Society

Our social commitment is expressed in our good relationships with our stakeholders, our contribution to the local communities where we execute our projects, and our initiatives in corporate sponsoring related to our core activities.

Reporting scope

		Society		
		Relationship Stakeholders	Donations & Sponsorship	Contributions local communities
Corporate (Head office)				
Dredging & Earthmoving				
Ships	Central Fleet			
	Decentral Fleet			
Home markets	Offices			
	Projects			
International projects	Offices			
	Projects			
Niche markets	Offices			
	Projects			

Relationship with our stakeholders

Boskalis has relationships with a range of interested parties: our stakeholders. These include our workforce, clients, shareholders, suppliers and organizations representing the industry and the community. We want transparent relationships and we are open to collaboration on shared goals. Boskalis does not yet have any structured stake-

holder dialogue within a CSR framework, but it intends to develop a plan to that end. In this respect, we are first looking at which parties we could involve in the further development of our CSR policy and whether they are prepared to come on board. We are talking to our main stakeholders at various levels. Against that background, we engaged in a range of activities in 2009.

Stakeholder activities

Employees

- Consultation meeting Central Works Council 6 times a year, as well as three extraordinary meetings associated with the merger with Smit Internationale N.V.
- Boskalis-wide Safety Survey (2,400 respondents). As well as conducting the questionnaire, we spoke to approximately 350 people in focus groups on the topic of Safety
- Fleet (staff) contact days (4 times a year)
- Frequent global visits by members of the Board of Management (more than 25 a year) to ships and projects
- Corporate Strategy meeting (top 40) once a year
- Senior staff meeting (top 200) twice a year

Shareholders

- 350 meetings with investors and shareholders
- Site visit with analysts to a project in Felixstowe (United Kingdom) and the Maasvlakte 2 Project (the Netherlands)
- Site visit with shareholders to the Maasvlakte 2 Project
- Shareholder meetings (1 general and 2 extraordinary meetings)

Clients

- Interview about the importance of Safety and CSR when selecting a contractor (20 clients)
- Active role in market consultation with the Directorate General for Public Works and Water Management about project selection criteria focusing on sustainability in particular

Government

- Site visit by Her Majesty Queen Beatrix, accompanied by the Secretary of State of Economic Affairs, during which discussions took place with the company about the impact of the economic crisis and government action
- Active contribution to a number of knowledge forums such as the Delta Technology Steering Group and the Dutch Water Platform

Community and industry organizations

- Frequent consultations with industry and sector organizations (Association of Hydraulic Engineers, EUDA, IADC, PIANC, CEDA, WEDA)

Educational Institutions

- Various lectures and workshops, including IADC/CEDA environmental dredging seminar and IADC dredging seminar
- Participation at trade fairs, open days at schools, and exhibitions (20 times a year)
- Supervision of 34 interns/graduates and 3 doctorate students and the deployment of 1 part-time faculty member at Delft University of Technology
- Deployment of Hydraulic Engineering Ambassadors to the Association of Hydraulic Engineers

Local

- World Harbor Days
- Dredging Museum

Donations, sponsorship and contributions to local communities

- At corporate level
- In our home markets
- During the projects we execute

Suppliers

- We have developed several environmental friendly applications together with our suppliers of ship engines, pump casings, impellers and cutter teeth

Donations, sponsorship and contributions to local communities

At the corporate level

Corporate social responsibility is linked to our core activities, demonstrating our social commitment. In addition, in our sponsoring policy we look to establish relationships with our core activities on land or on water. We want to make a genuine contribution in terms of facilitating the activities of organizations or individuals in ways that enhance our profile in our major target groups. So what interests us in the projects we support are the people behind the projects and their ambitions. What is their passion and how do they make the difference in their personal environment? We like to do our best for non-conformist, authentic people who are determined to achieve their ambitions. In 2009, we continued with two corporate sponsorship projects and launched one new project (see also www.boskalis.com).

Support for the Royal Netherlands Sea Rescue Institution KNRM – new rescue boat for rescue station

In 2009, we entered into a multi-year agreement with the Royal Netherlands Sea Rescue Institution (KNRM) (www.knrm.nl) in which we will focus primarily on the new rescue station in Dordrecht. The main operating area of this rescue station

is the Hollandsch Diep and the Haringvliet, the regional rivers and the Biesbosch nature reserve. This is precisely the area where Boskalis has its original roots. The rescue station was able to use our financial support to purchase a new rescue boat that will be known as the 'KBW 1910'. The name clearly shows the relationship with Boskalis: KBW stands for 'Koninklijke (Royal) Boskalis Westminster', and 1910 is the year our company was founded. The naming ceremony took place on August 29, 2009.

Our decision to work with the KNRM is a natural one. The KNRM and Boskalis are maritime enterprises that use technically advanced equipment. Ideas like independence, teamwork, social commitment, professionalism and reliability fit both organizations like a glove. Just like Boskalis, the KNRM is innovative and prepared to go the extra mile. In addition, this partnership allows us to provide indirect support for maritime professionals and the community of people who use the water for recreational purposes.

Support for elite sport: Catamaran racers, Team Boskalis

Since 2007, Boskalis has been sponsoring a catamaran master class (www.teamboskalis.com). In this program, experienced catamaran racers (the

Boskalis financially supported the KNRM's purchase of the new rescue boat 'KBW 1910'.



'masters') provide training for talented pupils with a clear will to win. We recruit some of the pupils from technical universities, the breeding ground for future talent that we want to interest in our company. Catamaran racing is a challenging, environmentally-friendly team sport that is very demanding in terms of the skills of the crew. This sponsorship raises our profile in the young target group that is interesting for us and makes a positive contribution to Boskalis corporate branding. However, above all, our support will help these young people to perform in the top flight of their sport, as was demonstrated at the F18 World Championships in 2009.

The goal of the four participating pairs was to deliver world-class performances and finish in the top 10 at this event. Three of the Boskalis teams were successful, coming in first, third and sixth! The fourth boat finished as the best mixed pair in 12th position in a strong international field of 173 boats.

Team Boskalis also won the Dutch sailing event Rondje Texel. The Team Boskalis pair of Coen de Koning and Thijs Visser won the coveted and prestigious Conny van Rietschoten Trophy in November 2009. A great finish to a year of great racing.

Support the arts: Sculptor Ruud Kuijer

Boskalis came into contact with the work of Ruud Kuijer (www.ruudkuijer.nl) in 2007. We are particularly enthusiastic about the creative way he makes abstract sculptures using concrete ('sand and water'). Since 2002, Ruud has been working on 'Water Works', a series of seven large-scale concrete sculptures along the Amsterdam-Rhine Canal in Utrecht. With Water Works, Ruud shows the range of levels at which the sculptures relate to water. Five of the large sculptures have now been completed. Boskalis is making a financial contribution to the last three.

Boskalis commissioned another two sculptures from Ruud. The first is 'Spring Tide', and it is

Transparent relationship with our stakeholders

Practical contributions to local communities

Involved in society through sponsoring and donations

8.35 m high, weighing 28,000 kg. The sculpture was inspired by the form of the centrifugal pump: the heart of the dredging industry. Spring Tide was given a prominent position in front of our head offices in Papendrecht in 2008.

Footprint Alliance, the second work, is 9 m high and it weighs 40,000 kg. The name symbolizes the excellent relationship we had with our client, the Port of Melbourne. Boskalis presented the sculpture in November 2009 to the Port of Melbourne upon the successful completion of the Channel Deepening Project. The sculpture contains elements from the project, including the ripper head used to dredge the hard rock, a monitoring buoy used for continuous environmental measurements and a surfboard. Footprint Alliance has been given a prominent position in the port of Melbourne alongside the port control tower.

In our home markets

In **The Netherlands** home market, our activities include a partnership with primary school De Boei ('The Buoy'). De Boei is a primary school for children with learning difficulties in Ommoord (Rotterdam).

Boskalis supports the school in various ways, organizing excursions to projects, support in kind (teaching materials, fixtures and fittings, etc.) and talks in the classroom by project managers.

There were also donations to, among others, the Ronald McDonald Children's Fund, the Dredging Museum and the Stichting Bio for Child Rehabilitation.

In the Mexico and Nigeria home markets, the past year also saw a focus on improvements in local infrastructure.

In **Mexico**, in September 2009, we established a coordinated initiative with other Dutch multi-nationals. Together, we provide support for the construction of cycle paths and improvements in the infrastructure in order to make cycling safer in downtown areas.

In Warri in **Nigeria**, we are helping the local community near our offices on an ongoing basis. We help to supply electricity and building materials for community buildings, and we provide assistance for the maintenance of sanitary facilities. Every year, we award two scholarships. In 2009 we also provided a local school near the Brass LNG project with furniture and built moorings for local fishermen in Forcados.

During project execution

We are all too aware of the impact that our activities can have on the local communities where we work. Our challenge is to achieve a good balance. On the one hand, we want to do a good job for our clients and, on the other, we want to be a good member of the community and a good guest. In doing so, we have to strike a balance within the framework established by our clients. But we are very much aware of our responsibility. Where possible, we add value to the location and/or the local community where we work.

First of all, we do this by designing the basic infrastructure required to do the work properly in such a way that it can also be used after the completion of the project for the further development of the area. Roads or ports, for example. Where possible, we advise clients about the useful application of dredged material. Improvements to access or security in a given area often encourage further development in the vicinity. Protective measures like these are very important for the safety and future prospects of coastal areas.

With our activities, we also contribute to a cleaner environment. We illustrate this in the topic text about the Newbiggin project and in a number of the project examples below.

Protection for St. Petersburg

At approximately 1 meter above sea level, the World Heritage City of Saint Petersburg, Russia has suffered 302 major floods in its 300-year history. We are involved in the final phase of the construction of the flood barrier intended to protect the city against future floods. The four-year project will be completed in 2011. It consists of linking up the dam to the flood barrier and completion work on a tunnel running underneath the new shipping channel to Saint Petersburg that was dredged by Boskalis. Since the start of the work, our engineers have been present on the site to assist local sub-contractors. All in all, we have about 60 people at work for us on land on this project, not including the fleet crews. In this way, as well as protecting Saint Petersburg, we also contribute to local employment.

Protection and nature reserve for the Delfland coast

The Netherlands is also taking steps to defend itself against coastal erosion, rising sea levels and the dangers of flooding. Ten 'weak links' on the Dutch coast have been identified. The Delfland coast between Hook of Holland and Scheveningen is the largest sub-project. Until late 2011, we will be working together with a joint-venture partner to discharge about 18 million m³ of sand on the foreshore, the beach and the dunes. In addition, a new nature reserve measuring 35 hectares will be created between the Hook of Holland and 's Gravenzande. This wet dune valley is a compensation measure for the construction of the second Maasvlakte, the extension of the Rotterdam harbor area. Safety, the facilitation of economic growth and the development of nature protection go hand in hand here.

Recycling dredged material

Boskalis can decide to deposit dredged material in sites designated for that purpose by clients. We



Boskalis Dolman designed and built a plant for processing the contaminated sediment in the Fox River in just eight months. A large part of the cleaned sediment will be re-used.

can also advise our clients about the possible useful recycling of this material in the immediate vicinity of a dredging project. There are now a number of good examples to draw on. In the United Kingdom, dredged material was used for land reclamation in two residential building projects (Fleetwood Reclamation and Clyde Kingston Basin), for raising a beach (Hayland Island Sea Defence) and for creating an area for wading birds (Harwich Maintenance).

[A clean Fox River](#)

The rise in industrial and agricultural activities led to the severe contamination of the bed of the Fox River in Wisconsin (USA) with PCBs (polychlorinated biphenyls). The large paper

factories located on the banks of the Fox River established the Fox River Cleanup Group, which called in Boskalis Dolman to design and build a plant for processing almost 3 million m³ of contaminated sediment in seven years. The dredged material is processed in Green Bay to produce clean sand and dewatered sludge. We draw on our expertise and skills to contribute to a cleaner aquatic environment and to re-use sand.

New opportunities for Newbiggin

The beach of Newbiggin, a small English coastal town with approximately 7,500 inhabitants, had been eroded by the sea so badly that the sea defenses in place were in danger of collapse. And that was not the only problem the town was struggling with. Two decades of economic decline caused by the loss of the prospering mining industry and the grain-shipping port had taken their toll. It was time for drastic measures.

The government developed a plan to breathe new life into the town and, at the same time, to guarantee the safety of its inhabitants. Our subsidiary in the United Kingdom, Westminster Dredging Co., was called in to execute the entire project.

The project consisted of the following components:

- The existing beach was raised using 500,000 tons of new sand. Our large trailing suction hopper dredger Oranje was used so that the new beach was in place in just over three weeks.
- A 200-meter breakwater was built approximately 300 meters offshore, involving the placement of about 50,000 tons of rock. Finally, a steel platform foundation was positioned for a sculpture on the breakwater and surrounded with Core-locs®.
- The platform foundation was used as a location for a sculpture designed by Sean Henry, 'Couple'. It consists of two bronze figures of a man and a woman, each five meters tall.
- The promenade was refurbished, with new steps leading down to the beach, public green areas and fields to play in.



Partnership with the local community

Westminster Dredging did its utmost throughout the project to inform the local inhabitants as well as possible about the work in the realization that the impact on the community would be considerable.

Temporary platforms were built so that the public could watch the dredging work and the construction of the breakwater with their own eyes. Internet was also used to share photographs and videos and to pass on the latest news about progress on all parts of the project.

It didn't take long before reactions started to reach the organization of the project, and there was intense interest, with the trailing suction hopper dredger Oranje being a public favorite, day and night. The project organization was open to any questions and suggestions from the community, and the involvement with local residents took on a new extra dimension with the donation of 12 sailing boats to the local sailing school.












The Newbiggin project received the prestigious Civil Engineering Award, the building world's Oscar. "The changes have had a positive impact on the entire community. The project in Newbiggin has restored the community's sense of pride and boosted its faith in the future," according to the report of the jury. You can find a CD about this project in the back of this report.



Environment

Our environmental measures, as described in this report, concentrate on our value chain with an emphasis on fuel and energy consumption by the ships in the central fleet and our office organization (head office and home markets). In addition, we provide an insight into the steps and innovations in the value chain that make a positive contribution to the environment.

Reporting scope

		Environment	
		Emissions (CO ₂)	Mitigating measures
Corporate (Head office)			
Dredging & Earthmoving			
Ships	Central Fleet		
	Decentral Fleet		
Home markets	Offices		
	Projects		
International projects	Offices		
	Projects		
Niche markets	Offices		
	Projects		

Emissions Taskforce

At the initiative of the Board of Management, Boskalis established a special Central Fleet Emissions Taskforce to look at pollutant emissions. The central fleet comprises those ships that are managed (technically) from the head office in Papendrecht and encompasses the main production units. The Taskforce is examining ways of further reducing emissions to the air. First of all by calculating the actual amount of emissions and determining the causes. The Taskforce is also looking at the requirements imposed by legislation and regulation, and reviewing existing technological and innovative solutions. The use of cleaner fuels is a good option

but we are also studying ways of removing SOx with scrubbers and looking at catalytic converters to break down the NOx in the emissions.

The steps we are taking are consistent with international developments in this area. From an economic perspective and on the basis of our social responsibility, we think it is very important to monitor these developments closely.

The reduction of emissions of pollutants such as CO₂, NOx, SOx and particulate matter are high on the international political agenda. The International Maritime Organization (IMO) is responsible for

international legislation and regulation in this area for the maritime sector. The Marine Pollution Act is the leading document in this respect. Alongside the IMO, the EU and the member states have continued to tighten up their environment policy.

The IMO has designated Sulfur Emission Controlled Areas (SECAs) where stricter standards apply for, for example, the emission of SOx. The Baltic Sea and a large part of the North Sea have already been designated as SECAs. Other European, Asian and American coastal waters are expected to follow. The aim is to reduce air and water pollution by encouraging fleet owners to use cleaner fuels. But also to take the development of technologies for cleaning emissions to the next level. Boskalis is committed to applying technologies of this kind in its own fleet.

Fuel consumption and emissions in the central fleet and offices

The tables below show the total fuel consumption and emissions of CO₂ by the ships in our central fleet. The amount of the emissions is directly proportional to fuel consumption. The entire Boskalis fleet comprises approximately 300 ships. This report deals only with the production ships such as the cutters, hoppers and backhoes because these are the ships that generate most CO₂ emissions (see appendix Equipment).

	Fuel m ³ ('000)	Electricity kWh (million)	Gas Mj (million)	CO ₂ Metric Tons ('000)
Central fleet				
Heavy Fuel (HFO)	121.7			382.0
Distillate Fuel (MDO/MGO)	74.5			201.5
Offices				
Electricity and Gas		7.3	6.9	4.5
Total	196.2	7.3	6.9	588.0

Emission reduction measures and green ship recycling

Initiator of international research program 'Building with Nature'

Investment in R&D to mitigate environmental impact

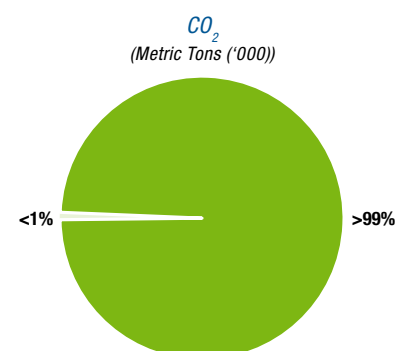
For the environmental footprint of the Boskalis offices, we will focus on energy consumption in 2009 (gas and electricity). This network includes the Dutch branches and the foreign offices in the home markets. The overview shows that Boskalis CO₂ emissions are largely accounted for by the central fleet and that the share of the offices amounts to less than 1%.

Emission reduction measures

For the central fleet, we reviewed expected legislation and determined our strategy on that basis. Our focus is on cleaning bilge and ballast water, fouling limits and ship recycling.

Bilgewater

Bilge water is a mixture of water and oil that is produced in the engine room and pump room when



the equipment is in operation. In the engine room, we already use bilge water separators to separate oil and water. The oil is collected by the accredited organizations. In the pump room, bilge water is produced during the primary dredging process, for example during the inspection of the dredging pump.

Ballast water

Ballast water contains a range of organisms. Investigations by, among others, the IMO have shown that certain organisms can damage the local ecology when the ballast water is discharged. We will be rinsing ballast tanks or installing ballast-water treatment systems to minimize that impact. In 2009, two new trailing suction hopper dredgers that went into service in 2010, were fitted out with a ballast-water treatment system.

Fouling limits

Like ballast water, organisms growing on the hull below the waterline can cause ecological harm. Our ships have an anti-fouling layer to combat that growth. However, it is impossible to prevent some growth. This is partly due to the high utilization rates of our ships limiting the available time in dock for anti-fouling treatment. However, the more environmentally friendly paint systems used these days also result in more growth. We have therefore teamed up with our paint suppliers to apply test sections on the hulls below the waterline of a number of stationary and self-propelled ships. This trial is expected to generate more insight in 2010.

Ship recycling

Boskalis makes sure that ships that are decommissioned are recycled in green ways in accordance with our standards and under our responsibility. They are supplied with an Inventory of Hazardous Materials. This means that the ship is examined for the presence of hazardous materials. The result is recorded in a report that is submitted to, and certified by, an independent agency such as the internationally accredited classification firm Bureau Veritas. This report constitutes the manual

for the recycling company that manages, under our auspices, the removal and proper disposal of these materials. We conducted a review of this kind in 2009 for the recycling of the WD Severn. (See the topic text in our Annual Report.)

We also map out the possible presence of hazardous materials in our new ships and we will also be supplying existing ships with an Inventory of Hazardous Materials in the future. An inventory was conducted recently on one of our newest trailing suction hopper dredgers, the Gateway.

This means that we comply with the 'International Convention for the Safe and Environmentally Sound Recycling of Ships' drafted by the IMO.

Measures in collaboration with our suppliers

Ship engines

Boskalis and Wärtsilä Netherlands B.V. (Wärtsilä is one of the largest suppliers of ship engines) have taken the following steps in the area of flue gas cleaning:

- Wärtsilä has developed a conversion kit for reducing lubricating oil consumption, with the technology for the latest diesels being used on Stork TM 410 engines. In collaboration with Wärtsilä, a pilot study was conducted on one of our largest cutter suction dredgers, with an engine being fitted out with new cylinder linings, pistons and valves. This optimization has led to a reduction in lubricating oil consumption by more than half. We are now working on the implementation of the optimization program on other ships. Boskalis is keen to be involved in this type of project. Ultimately, the entire industry benefits because many operators, including our competitors, still use these engines.
- For the new fallpipe vessel, we chose to purchase ship's engines with electronic injection so that these engines operate more efficiently (more environmentally friendly) when operating at partial loads. In addition, in consultation with Wärtsilä, these engines were optimized for compliance with future NOx emission requirements.



Grease consumption

To reduce grease consumption on our older ships, we developed an advanced solution in collaboration with TrustLube B.V. It ensures that much less grease is needed to lubricate crucial parts. The new system is now in operation on four cutter suction dredgers. The much more efficient use of lubrication results in a major reduction of grease consumption on each cutter suction dredger. We are also looking to see whether it is possible to use biologically degradable grease.

Foundries

In conjunction with our foundries, a scrap management program has been developed for recycling the leftover material from casting; the program includes pump casings, impellers and cutter teeth.

Measures pursuant to the Building with Nature research program

Building with Nature is an innovation program focused on the development of new design

concepts for river, coastal and delta areas. The aim of the program is to investigate the best approach to strengthen the interaction between human activities and nature. More specifically, the program looks at the impact of human intervention on ecosystems. It also examines how working practices can be adapted to minimize their environmental impact. The research is intended to result in internationally-accepted sustainable design standards, giving clients an independent appraisal framework at their disposal. Boskalis can draw on this knowledge to create value and to move upwards in the value chain.

Boskalis is one of the founders and investment partners in this program, which is being implemented by the Ecoshape Foundation. The Dutch government and Dutch companies, universities and knowledge institutions are also involved. This makes it possible to cluster ecological, technological and policy knowledge. The program covers four concrete cases: the Dutch Coast, the Markermeer and IJsselmeer area,



the South-Western Delta and Singapore. Existing gaps in knowledge are filled in first on the basis of scientific research on a number of scientific and governance themes. The program will run from 2008 to 2012. Boskalis is investing € 500,000 annually in this innovation program.

Combining these generic instruments with technological expertise and knowledge of specific areas will allow Building with Nature to contribute to the sustainable management and development of densely-populated river, delta and coastal areas

throughout the world. This means that the program is an essential building block for maintaining the quality of life in our own delta. In addition, it has an important role to play in helping Dutch companies that are engaged in sustainable hydraulic engineering establish a leading international position on a permanent basis.

Deployment of R&D department and our own engineering consultancy

Boskalis draws on the expertise of the Research & Development department and the Boskalis

engineering consultancy Hydronamic to mitigate or minimize the ecological impact of dredging activities. We often work in vulnerable nature areas, both at sea and on land. With advanced predictive models, monitoring and the careful selection of working methods and equipment, we have now built up a reputation for projects that respect ecology. A number of case studies that illustrate our approach can be found under 'Sustainability' on our website.

In the Maldives we are involved in the Safer Islands project set up by the government of the island state to improve safety and the quality of life. The government wants the population to be concentrated on fewer islands than the 200 that are currently inhabited and to protect the residents from the threats posed by climate change. Over the next ten years, fifteen islands will be made larger and safer.

Boskalis has already enlarged the islands of Vilufushi and Viligili, protecting them against rising sea levels. Preparations for three other islands were made in 2009. The Maldives are a famed paradise for divers, renowned for their beautiful coral reefs. We see the protection of this vulnerable natural habitat as an important duty. You can read about our approach in the interview with two of our staff in the topic text in this section on pages 36 to 39.

An understanding of how coral behaves is something that we are also contributing to the Jamaica project focused on the construction of a cruise ship terminal. The existing entrance channel has to be deepened and widened for the ship. There are large coral reefs on either side of the channel and the Jamaican government imposes strict standards to ensure their preservation. All the healthy coral larger than 10 centimeters is being moved to a new location at the same depth and with a comparable ecosystem. The scope of this relocation project is unprecedented, involving a total of 160,000 pieces of coral covering an area of 11 hectares. You can read more about the project on pages 38 and 39.

Deployment of Boskalis Dolman

Our expertise can also be put to use to clean up sediment and soil. Our subsidiary Boskalis Dolman is engaged in high-profile soil remediation operations both in the Netherlands and at the global level, with the aim of recycling as much material as possible. As support for its activities, Boskalis Dolman has its own management support office, research department, and laboratory. In 2009, Boskalis Dolman started on a major soil remediation project: the Fox River project in the USA. This is discussed in greater detail in the Society section and further information can be found at www.boskalisdolman.com.

Protecting delicate ecosystems on the Maldives and in Jamaica

On the Maldives and in Jamaica, Boskalis is involved in infrastructure projects where protecting coral plays a crucial role. For both projects, alternative solutions are being adopted to ensure that the damage caused to these vulnerable ecosystems is kept to a minimum.

As a part of the Safer Islands development plan, the Maldives government wants the population to be concentrated on fewer islands. This will make it possible to protect residents against the threats posed by climate change. In the next ten years, fifteen islands will be made larger and safer, with Boskalis taking on three of them. “Boskalis has experience in this region with the islands of Vilufushi and Viligili, which were hit by the tsunami in 2004”, explains Stefanie Ross, a marine environment project engineer with Hydronamic. “We are using the working methods and lessons learnt from those projects on this Three Island project.”

Preventing turbidity

The three small islands have a surface area of approximately 750 x 350 meters and they are only 1.1 meter above sea level. Boskalis will almost double the land surface area and raise the level of the islands to 1.40 meter. A seawall will provide extra protection against high sea levels. Turbidity caused by dredging up the seabed is one of the main undesirable side effects of dredging. This temporarily reduces the amount of light reaching the underwater flora and fauna including coral. We use advanced working methods to reduce turbidity to a minimum. Bunds are built around



Restoring the island of Vilufushi.



land reclamation areas to contain turbid water. Several basins allow the water to settle down and let suspended solids to settle. Once a basin is full, the water travels to the next one. Stefanie Ross: “At Vilufushi, we learned that we should always have excess room for settlement. The final few thousand cubic meters of sand are then deposited from land at the end of the operation. This working method was already successfully applied for Viligili.”

Protecting coral

“Minimizing turbidity and contact with the coral are the challenges we face. In technical terms, moving the coral is an option but, given the location selected for land reclamation, the impact is very limited indeed.”

The islands are located on a shallow reef. There is less coral in places where the water depth varies from 10 centimeters to 1 meter. It is precisely in these locations that Boskalis is planning the new land and the sea wall. The design was based on minimizing the amount of sand and keeping the sea wall as short as possible. We are examining the sand-winning options that cause the least damage to the reef. Stefanie: “We also take erosion and segmentation processes into account. After all, we don't want our work to lead to one of the nearby islands just disappearing under water in a few years time. At the moment, we are setting out all these considerations in the environmental impact assessment.”



Large-scale coral relocation in Jamaica

The relocation of coral in Jamaica is an acceptable and viable option that is even required by the government. The aim is to prevent coral being destroyed by human activity. "Relocation is a possibility, but you can't just move coral to anywhere you like. Coral reproduces every year and it chooses the best place to do that. If there isn't enough light or if the water is polluted, coral won't grow", explains Astrid Kramer, a junior environment engineer with Hydronamic. "To move coral, you need to make sure that it can continue to grow in similar ecological conditions and at the same depth." In Jamaica, a cruise ship terminal is being built that requires a deeper and wider entrance channel.

There are large coral reefs on either side of the channel. The client has found a good adoption location about 500 meters away from the original location. This is a major operation for which Boskalis is responsible.



The large-scale relocation of coral in Jamaica.



Meticulous working methods

A 10x10 meter grid was laid out on the seabed at both sites. All the suitable coral, together with some substrate, is detached from the seabed by divers so that the coral itself doesn't have to be touched. The pieces of coral are then placed in large baskets. The next team of divers hooks the full baskets onto small boats and takes them to the new location, where yet another team of divers positions the coral on the seabed. A section of substrate with a coral colony is either glued in place using a special epoxy resin or attached to a mould with underwater cement. The very large pieces are drilled into place using pins in the bedrock. "About 11 hectares of coral are being moved like this. It's a really big operation", explains Astrid Kramer. "We started in October with a team of 24 Jamaican divers. There are now 80 divers at work every day and they will probably be finished in June 2010."

Constant monitoring

All the divers were trained beforehand and they are kept informed about any special developments on a day-to-day basis. Every week, the Jamaican government checks whether the work is being done correctly. And the client also has audits conducted by a research firm. "Our sub-contractor is also monitoring the operation and will continue to do so for some time. It will only be possible to say whether the coral has adjusted well to the new location in five years or so," says Astrid. "We too are learning a lot from this project and we will be using that practical know-how on later projects. That means, for example, that we'll be able to cut back the start-up phase and that we'll know what materials we need and how to optimize cost calculations."

































Our workforce

For Boskalis, our people are the distinctive factor in the success of our company, even more so than our equipment. The Board of Management communicates this vision actively and attaches great importance to an Human Resources (HR) policy focused on the future.

The HR policy supports Boskalis' strategy of maintaining its position as a leading maritime service provider and as a preferred employer in the industry. The goal of the policy is to establish and retain the right competencies, and first class expertise and skills.

Reporting scope

		Workforce		
		Profile and size	Training	Diversity
Corporate (Head office)				
Dredging & Earthmoving				
Ships	Central Fleet			
	Decentral Fleet			
Home markets	Offices			
	Projects			
International projects	Offices			
	Projects			
Niche markets	Offices			
	Projects			

Organization

Corporate HR policy covers all members of staff with a Dutch employment contract who work in the Netherlands and abroad in the office, on projects and on our ships, as well as all foreign employees working on board the ships. The home markets manage their own operational HR tasks. The corporate HR department assists the home markets in their Management Development and Remuneration policy. The ever-increasing globalization of our company requires professional, company-wide HR support and making maximum

use of our shared HR knowledge. To achieve this goal, we appointed HR managers in 2008 and 2009 to further strengthen the local HR organizations in our Mexico home market and in our Australian project organization.

Corporate HR management is responsible for support and operations. In addition to regular HR tasks such as recruitment and selection, training, assessment and labor relations, the HR management ensures optimal staffing and crewing on the projects and the ships, and manages all the administrative and logistical areas involved.

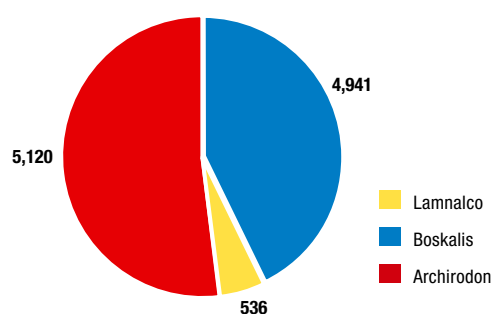
Composition of our work force

Tables with underlying data are included in the appendix.

Number of employees

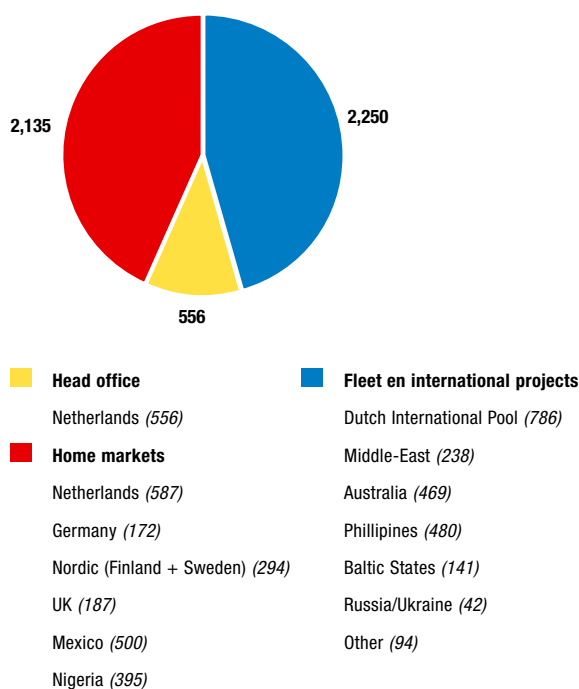
At the end of 2009, the total number of people employed by Boskalis was 10,597. This number includes the proportion of people working for our affiliated company Lamnalco (536) and Archirodon (5,120).

Workforce including affiliated companies



Not including the proportional numbers for affiliated companies, the number of people working for Boskalis in 2009 was 4,941. The number of employees was 5.6% less than at year-end 2008 (5,236).

Number of employees by country, excluding affiliated companies



Our people are the distinctive factor in our success

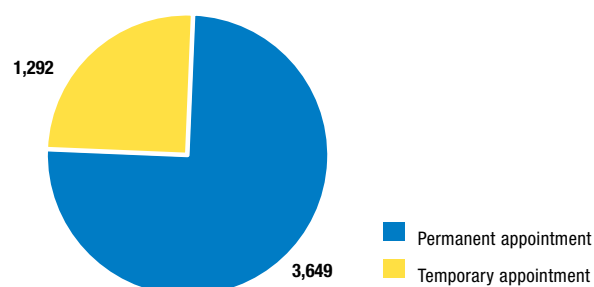
Wide array of competencies and first class expertise and skills

Caring for the well-being of our international operational staff

Type of contract

Of the 4,941 members of staff, 73.9% have permanent appointments; this is a relative increase compared to 2008. Boskalis wishes to have a flexible shell so that it can adapt to market demand. With this in mind we believe that the proportion of permanent to temporary contracts is appropriate. In areas where we are engaged in a lot of projects (Nigeria, Australia, the Middle East), we have a relatively large number of staff with temporary (project-related) contracts; this ratio can be as high as 90% temporary staff to 10% permanent.

Type of contract, excluding affiliated companies



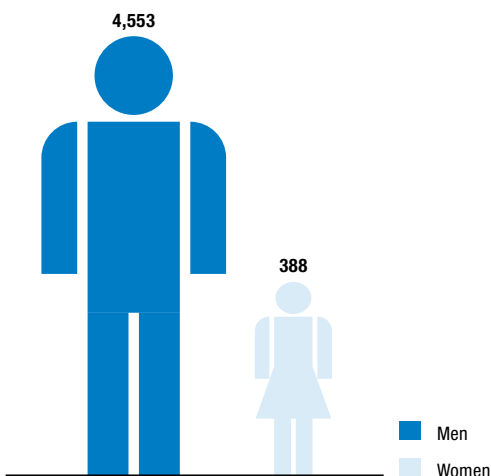
Men/women, part-time/full-time ratios

The nature of our industry, the technical work we do and the jobs on board the ships result in a relatively high number of men and few part-time employees. The assignments to project locations throughout the world, some of which can last for long periods of time, also play a role in this respect. New staff often come to us from technical maritime courses, which are generally more popular with boys than with girls. The percentage of men to women remained

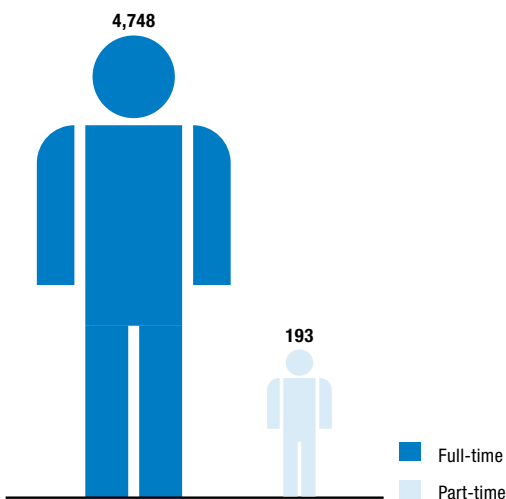
the same at 7.9% women to 92.1% men in 2008 and 2009. There are, however, clear differences between the various countries. In the Netherlands and in the home markets, the percentage of women varies between 9% and 20%.

The percentage of part-time employees rose slightly compared to 2008 from 3.4% to 3.9%. The relatively high number of full-time contracts is associated, once again, with the nature of our project organization and the long-term assignments to project locations throughout the world.

Men/women, part-time/full-time ratios



Part-time/full-time ratios



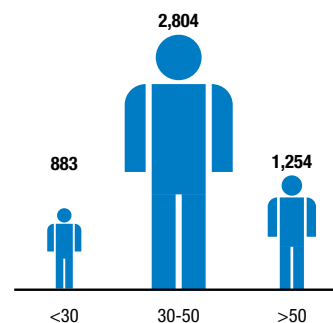
Age profile

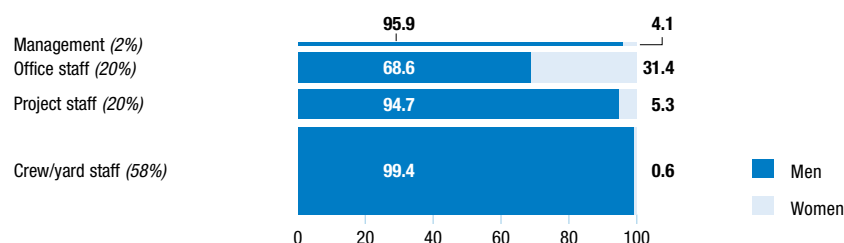
The age profile at Boskalis is balanced. We have a relatively young workforce, three-quarters of whom are younger than 50. More than half of our employees (57%) were in the 30-50 age category last year, matching 2008. The group of employees aged over 50 rose slightly because we have recruited more experienced people in that category and internal advancement is working well. Particularly in Germany, the Scandinavian countries and the United Kingdom, the percentage of older employees is slightly higher in relative terms.

Job categories

The ratio of office staff (office support staff and management) to operational staff (project staff,

Age profile



Job categories women/men ratios - 2009 (in %)

crew and yard staff) at Boskalis is 22:78. At the head office in the Netherlands, the proportion of management and support staff is larger because the corporate activities are located there.

Training and Staff Development

Boskalis faces the challenge of finding solutions for the increasingly complex maritime problems of its clients. Clients are looking for new ways to collaborate and involve Boskalis in the design phase (early contractor involvement). This results in new types of contracts that require different skills and qualities of us. At the same time, we have to take into account the ever stricter environmental requirements imposed by both our clients and governments. This requires not only innovative dredging technology, but also the right knowledge and know-how of our employees. That is why Boskalis targets investment in staff development. Instruction and training courses are important building blocks for career and management development, the enhancement of operational skills and expertise, and the development of a common management style and corporate culture. On average, Boskalis employees took nearly two days of training courses in 2009. We invested mainly in training the crews on our ships and our yard workers.

Training operational employees

We have developed training matrices for our operational employees that include vocational education programs and compulsory safety and environmental training courses. This guarantees that our operational employees always meet the skill requirements of our clients and governments.

The International Dredging Academy – a joint program developed by Boskalis and the Shipping and Transport College in Rotterdam – has become more practical and performance-driven in both its approach and curriculum. The Academy's objective is for fleet staff to be able to do their work better and further their careers quicker. This enables us to foster employee loyalty and keep the quality of our fleet staff up to par.

Management development

Boskalis is an industry leader with its specific management programs at various levels aimed at different groups of managers. In addition to office and project management, the programs pay considerable attention to strengthening management on our ships. By offering these targeted programs we help our employees grow with the company, giving them the tools they need to respond to new demands in the market.

Business support

Around 40 of our specialists have completed programs that were developed specifically for Boskalis by the TIAS Nimbas business school (in Tilburg, The Netherlands). These are international contract management programs and financial & risk management programs.

The first edition of the Boskalis Operational Development Program (BODP), which began in late 2006, was completed in 2008. Two new advanced BODP programs kicked off in 2009. The advanced track is intended for young project managers with the potential to manage more complex projects in the future. The aim is to teach them a new approach to their work - with more vision, understanding and know-how when it comes to managing complex projects. This program ensures that our company always has the right skills on hand to shape our strategic focus as a leading supplier of integrated infrastructure and maritime services. The program has also led to the creation of a community of practice that project managers can use to share knowledge and experience and provide support and peer coaching. In the future, we will be adding more practical aspects to the program, for example contract management and financing.

Furthermore we have developed a new program for middle management in our European home markets. The Boskalis Home Market Development Program focuses not only on management skills and operational practices, but also on improving commercial skills, contract management and portfolio management. Fourteen people started this program in 2009.

Management potential in the fleet

Boskalis has developed various tailor-made programs for fleet management. The Boskalis Maritime Development Program (BMDP) focuses

on our ships' managers: our captains and chief engineers. The key components of this program are leadership, personal effectiveness, teambuilding and strengthening internal networks. The first group of 22 participants will complete this two-year program in 2010.

As a follow-up, we have developed an international program for first officers from the Netherlands, Russia and the Baltic States. This Maritime Leadership Course meets both individual and collective training needs and is practically-oriented. Learning by doing is the motto of the program. As with the BMDP, the aim is to improve personal effectiveness and strengthen Boskalis' international network. It is also meant as a constructive tool to help employees advance to more senior positions. Fifteen participants will enroll in this course in 2010.

While focusing on developing management skills, Boskalis also pays a great deal of attention to developing the skills of its sandfill masters. A total of nine potential sandfill masters responsible for onshore sandfill operations have already completed the two-year practical training course.

Career planning

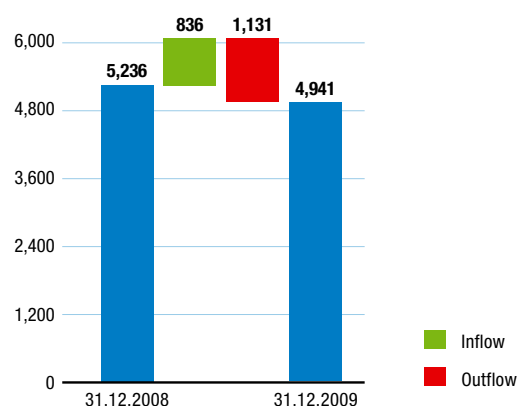
Boskalis applies a two-year staff development cycle to employees with a Dutch employment contract and foreign employees working aboard our ships. All these employees have a competency interview with their manager to discuss their performance and development options. Most employees had their competency interviews in the 2008-2009 cycle.

Recruitment

Inflow

Due to the uncertain economic climate we exercised restraint in our recruitment activities in 2009 so that we could continue to respond as flexibly as possible to changes in demand. In 2009, we mainly filled vacancies that had become available owing to attrition.

Recruitment



Outflow

The dynamic nature of the company (with projects being scaled up and wound down upon completion) means that our organization focuses on deploying employees flexibly to meet capacity needs. In addition to outflow due to projects being completed, the non-renewal of temporary contracts (66.8% of total outflow) and voluntary redundancy (16.2% of total outflow), employees also leave our company due to attrition, for instance because they have reached the pension entitlement age (6.5% of total outflow).

Labor market communication

Boskalis wants to continue to showcase itself as a preferred employer among relevant target groups in the global labor market. We have, for example, presented ourselves at the following universities:

- Various universities (research and applied sciences) in the Netherlands
- University of Plymouth (UK)
- University of Cardiff (UK)
- University of Brest (France)
- Cebu Maritime University (Philippines)
- Estonian Maritime Academy
- Latvian Maritime Academy
- Lithuanian Maritime Academy
- Admiral Makarov State Maritime Academy
- Baltic Fishing Fleet State Academy
- Odessa National Maritime Academy (and Technical Fleet College)

Information about our company and our vacancies can increasingly be found on social networking sites. Considering that two-thirds of the global Internet population is now active in a social network, we expect great things of these communication platforms. The number of people looking for work this way is clearly on the rise.

Well-being

Pension plans

Boskalis has different pension plans in place for different groups of employees. Plans can consist of a formal pension commitment within a special fund designated for that purpose or a dedicated insurance policy (defined contribution scheme or a pensionable salary/service scheme). Employees can also elect to have contributions paid into a national pension fund or to be granted an allowance for an individual pension plan.

Good housing for international employees

Boskalis places heavy demands on its operational employees who often work long hours at locations far from home. We acknowledge this and provide good housing and recreational facilities, preferably on or close to the project site. Some of this



housing is permanent and made of sturdy, durable material so that it can be used by locals later. If the housing is temporary, we often use prefab units (air-conditioned if necessary). We sometimes hire an agency to arrange local housing for us. In that case, we still check the facilities to be sure they meet our requirements and the standards set by our clients and by law.

Boskalis has its own set of standards for housing, which include guarantees that all employees have sufficient space and privacy. We also make sure that there are good medical facilities available, opportunities for leisure pursuits (for example an exercise room), and technical facilities that enable employees to access the Internet and communicate with their families back home. See the interview on

pages 48 and 49 about the Khalifa Port project in Abu Dhabi, which Crown Prince Willem-Alexander and Princess Máxima visited in January 2009.

Absenteeism (in %)

	2009
The Netherlands and Mexico	2.95%
Rest organization	0.99%

Absenteeism

Boskalis tracks absenteeism in various ways. We measure absenteeism in The Netherlands and Mexico based on calendar days (7-day working week).

In other countries, we register absenteeism based on a 5-day working week. That is why the table on page 46 provides two rates and why Boskalis is unable to calculate a company-wide absenteeism percentage.

Swine flu

In 2005, Boskalis set up an Emergency Response Team (ERT) - a cooperation between the Rotterdam Havenziekenhuis Hospital and our HR and SHE-Q departments - which drafted a set of emergency procedures and measures. We were therefore well-prepared in the event of an outbreak of swine flu. We began by informing our employees in our home market Mexico and any employees travelling to that country. We advised against any trip to Mexico that was not strictly necessary. Throughout the company we also drew management's attention to the procedures and measures, and used Health Flashes to keep the employees up to speed. A risk inventory made clear what the impact of an outbreak would be on our ships and projects. We used the results to draw up emergency plans. We worked closely with the Rotterdam Havenziekenhuis Hospital to see to it that anti-viral medication (Tamiflu) was distributed to the project locations. When it became clear that the situation was less serious than anticipated, the ERT cut down on its consultations. The ERT is currently inactive.

Mitigating measures

Competency management and demographic composition

Given what the near future has in store for us, we clearly need to have a good view of our company's staff development potential. In 2008 and 2009, we surveyed the demographic composition and competencies of our operational pool. We now know that we must put more effort into the development of our high potentials in order to prevent a shortage at senior level. The problem is related to the ageing of the population, which will also affect our company. We are introducing various measures in response.

To begin with, we aim to make better use of our employees in the 41-50 age category and conduct assessments and surveys to determine precisely who falls into this group. We will also focus on the recent graduates and trainees whom we have hired in the past few years. In order to satisfy this group's urgent staff development needs, we have worked with De Baak Management Center to create a short, intensive training course focusing specifically on personal effectiveness and leadership issues. We will repeat this training course in 2010 and start yet another trainee program in the same year.

Health & Safety

Healthy employees are crucial, in particular given the nature of our work. We therefore take very good care of our people's well-being. We offer them good, safe working conditions, make sure they have excellent equipment at their disposal, and respect their time off and working hours. In doing so, we also anticipate our clients' wishes, as they often insist on strict labor standards in order to prevent fatigue. For example, we have asked the Netherlands Organisation for Applied Scientific Research (TNO) for an independent fatigue risk assessment at the Gorgon project in Australia.

Boskalis also works closely with KLM Health Services and the Rotterdam Havenziekenhuis Hospital. Our operational employees undergo a complete physical every two years. Any employees who wish so may also speak to one of our company social workers.

Housing for Khalifa project staff

“Our international project employees often work long days, sometimes in a harsh climate. In return we make good housing and recreational facilities available, preferably on or close to the project site,” says Jaap Dekker, former Khalifa Port project director.

Dekker cites the housing at Khalifa Port development project as an example. The port is being constructed in Abu Dhabi. The offices and compound were built on a greenfield site that had no facilities. “We built a village here, on land belonging to our client, with good facilities for approximately 400 international employees.” They are housed in prefabricated, air-conditioned residential units, each of which has 12 bedrooms for one or two people with en suite shower and toilet.

The employees, from the Philippines, India, Indonesia and other places, eat their meals in the dining rooms in the middle of the compound, close to the kitchen. “We naturally take specific religious dietary requirements into account. Employees who live outside the compound are allowed to have their meals here as well, and they certainly do that,” says Dekker. Leisure time was another point of consideration. The compound features a recreational room, an exercise room, TV rooms that

Princess Máxima talking to one of our employees in the internet cafe.



broadcast Philippine and Indian television stations, and an Internet cafe. There is a doctor's office for consultations and facilities to admit a few patients for observation.

Crown Prince Willem-Alexander and Princess Máxima of The Netherlands visited the Khalifa Port project in January 2009. Dekker: "Our employee facilities meet our own high standards and are nothing like the sort of accommodation that we sometimes see elsewhere

in the world. Princess Máxima was very interested in this topic, for that reason. While we were preparing for her visit to the project, she specifically asked to inspect the employee housing and to speak to the workers. She was pleasantly surprised by the quality of the facilities."



Safety

At the end of the day we want all our employees, subcontractors, suppliers and visitors to go home safe and sound. That aim is what drives our worldwide, comprehensive safety policy: SHE-Q (Safety, Health, Environment, Quality).

Reporting scope

		Security		
		LTIF	Certificates	Awards
Corporate (Head office)				
Dredging & Earthmoving				
Ships	Central Fleet			
	Decentral Fleet			
Home markets	Offices			
	Projects			
International projects	Offices			
	Projects			
Niche markets	Offices			
	Projects			

Comprehensive and worldwide safety policy

As our work affects more and more people and our projects become bigger and more complex, the importance of SHE-Q will continue to increase. Safety is top priority at Boskalis and a vital part of our corporate strategy. We believe that our employees hold the key to a safe working environment. That is why we have designed our safety policy to give them the knowledge and tools they need to make accurate risk assessments.

That way, they can carry out their work safely and deliberately.

Our organization

The SHE-Q department

Boskalis has a corporate department – consisting of eight employees at head office and approximately 20 SHE-Q professionals working at project sites – to coordinate and initiate our safety policy. Besides safety, the corporate department focuses on health,

the environment and quality. It conducts internal audits worldwide and provides advice where needed. It also determines overall safety policy, develops safety training courses and handles all communication related to safety. The SHE-Q professionals attached to the projects on a semi-permanent or permanent basis assist the project management in implementing the company's safety policy. They also contribute their professional expertise.

In addition to the corporate department, every home market and business unit also has its own SHE-Q department or representative responsible for coordinating SHE-Q policy at local level. Boskalis has more than 60 SHE-Q professionals in its employ.

Our tools:

Management system

Boskalis has a comprehensive SHE-Q management system based on the following Dutch and international standards:

- OHSAS 18001 (Health & Safety), ISO 14001 (Environment) and ISO 9001 (Quality). This system applies when contracting and executing projects in the Netherlands and abroad.
- International Safety Management (ISM) Code. Forms the basis for our Plant Management System for managing self-propelled ships and for our Central Technical Department.
- Safety, Health and Environment Checklist for Contractors (VCA system). Our Dutch operating companies are certified according to this system.

These systems allow us to disseminate and put our SHE-Q policy into practice on our projects and ships. They give management and employees a transparent structure for making safety part of their daily work and for reporting accidents. We began implementing this system worldwide in 2009. Until then, our home markets and niche services (like Offshore) all had more or less their own policies and management systems. Harmonizing these policies and systems

Safety is a top priority and a key area of management focus

Safety record improved 75% in the past decade

Supervision, prevention, training and communication

One global Boskalis Standard promotes a shared safety culture

will create clarity, with working processes in every unit having the same basis and structure. Nevertheless, differences may arise or continue to exist for example owing to local legislation.

To ensure continuous improvement, the Board of Management has identified a number of SHE-Q targets at corporate level, which are supplemented by the safety targets set every year by each business unit's management. For example, one of the corporate targets for 2010 is to draw up and implement a SHE risk assessment for every project worth more than € 5 million. An example of a business unit target is that senior management should conduct at least one safety inspection of every project. These are management steering tools for our business units, ships and project managers. Their job is to devote extra attention to these matters. Every quarter, the business units report to the Board of Management on the progress they have made toward achieving the targets. In addition, our audits involve a critical assessment of implementation.

Monitoring & Reporting

Monitoring and reporting are crucial: they tell us whether we are actually living up to our high standards of safety.

We assess whether our current policy is being implemented at our projects and on board our ships in different ways and at different times:

- Comprehensive SHE-Q audits and workplace inspections. In 2009, the SHE-Q department conducted ten internal project audits worldwide. Local SHE-Q departments and representatives also conducted their own audits.
- Audits by Bureau Veritas, as the certifying organization. In 2009, Veritas conducted 17 audits.
- ISM audits. Approximately 50 of these internal and external audits are conducted on our ships and at our offices every year.
- Safety inspections by senior management. In 2009, senior management conducted more than 100 of these inspections at our projects.

The SHE-Q report is integrated into our operational reporting structure. As a minimum, these reports always cover incidents and accidents, audits and the progress made toward meeting SHE-Q targets. In addition, audits, accidents and other relevant SHE-Q issues are subjects of discussion at various monthly management meetings.

Each quarter, the Board of Management draws up a SHE-Q report for the Supervisory Board.

Incident reports

Incidents are accidents, near-misses, damage and environmental damage at projects, on work sites and on ships. Boskalis has a structured system and fixed procedures for reporting and registering incidents and taking any necessary action.

The SHE-Q department ensures that incidents are dealt with properly and without delay, and communicates with the relevant management accordingly. The department may also recommend corrective steps or improvements.

Prevention and training

Our safety policy focuses on preventing accidents and incidents. We therefore consider employee safety training of great importance. For employees to be able to do their work safely, they must know the safety rules and procedures and be well-acquainted with safe working practices.

Boskalis provides various safety training courses. Some are compulsory, in accordance with Dutch and international health & safety legislation and the Safety, Health and Environment Checklist for Contractors (VCA). Other courses, such as First Aid, are initiated by Boskalis.

Boskalis introduced its own safety training program, MANsafe, in 2005. The MANsafe I program focuses on raising safety awareness and is intended for project employees in management positions. There is a three-day training course for project managers and a one-day course for other managers. The courses are given on site. Between 2005 and late 2009 more than 1,200 employees took part in a MANsafe I course. This group was made up not only of our own employees, but also staff employed by our clients, subcontractors and joint ventures. In 2009, we updated the one-day MANsafe I course. The MANsafe II course focuses on communicating about safety during project execution. It is linked to a module covering high-risk activities, for example working with hawsers, cables and winches and dealing with heavy-duty earthmoving equipment.

Our personnel registration system keeps track of which courses employees have completed by means of a training matrix assembled by the HR department in consultation with the SHE-Q department, the Central Technical department and the Operational Pool. The matrix includes both specialist training programs and compulsory safety training for all fleet and operational employees.

Communication tools

Boskalis uses various communication tools to raise employee awareness of safety. One of these is our internal safety bulletin, *Safety Matters*, published since 2002 in Dutch, English and Spanish. Each bulletin deals with a single safety topic and looks at current safety factors that play a role at our projects. We published three issues of *Safety Matters* in 2009 and distributed them to all employees and branch offices. The SHE-Q department also publishes *Safety Newsflashes*. Whenever a safety issue arises, this publication describes the event and what preventative measures should be taken. Finally, safety, health and the environment are recurring topics of discussion in our company magazine, *Cohesion*.

Boskalis Safety Award

Since 2005, the Board of Management has presented an annual Boskalis Safety Award to an employee or employees who have made the most practical suggestion for improving safety. This is one of the ways of getting our employees more involved in safety awareness. The 2009 Safety Award was presented to a superintendent and a sandfill master who each developed a safer discharge gate.

Safety at work: that goes for subcontractors and suppliers too

Our responsibility for SHE-Q goes beyond our company to include our subcontractors and suppliers. We have pledged our commitment to this standard in our Group Manual, in our Statement of General Business Principles, in our policy statement on safety, health and environment, and in the underlying guidelines. We expect subcontractors to commit themselves to this standard as well. We monitor compliance by conducting internal audits at our projects. We also evaluate the performance of subcontractors and suppliers during projects and after their completion.

SHOC: Safety Hazard Observation Card

One particular example of an awareness-raising tool is the widespread introduction of the Safety Hazard Observation Card (SHOC). Our purpose in introducing the SHOC system is to continuously improve the safety standard at a project, work location or vessel by pointing out high-risk situations. We prefer to introduce improvements without delay. Because anyone can fill in a SHOC, awareness of safety increases. To encourage employees to use the SHOC, we often offer a small personal reward and/or charitable donation for the best observation or suggestion. The SHOC system was first introduced in the Offshore business unit. We are now implementing the system company-wide and one of our corporate targets for 2010 is to have at least one major project in every area introduce the SHOC system.

What have we achieved?

Downward trend in accidents

Our safety policy is producing results, as shown by the downward trend in the number of incidents and accidents. Accidents resulting in absence from work are calculated as Lost Time Injury Frequency (LTIF). The LTIF rate is the number of accidents leading to absence from work per million man-hours worked by Boskalis, subcontractor and joint venture partner employees. We count 100% of any accident at a joint venture that involves our own employees; if the accident involves contract workers or joint venture partner employees, we count the percentage of our participation in the joint venture. Over the past decade the LTIF rate (number of accidents per million man-hours worked) fell from 14.3 to 3.7 in 2009. We can attribute this drop largely to the growing safety awareness and improved competencies of employees in this area. Fleet improvements, heavier client demands and international maritime requirements (IMO) have also

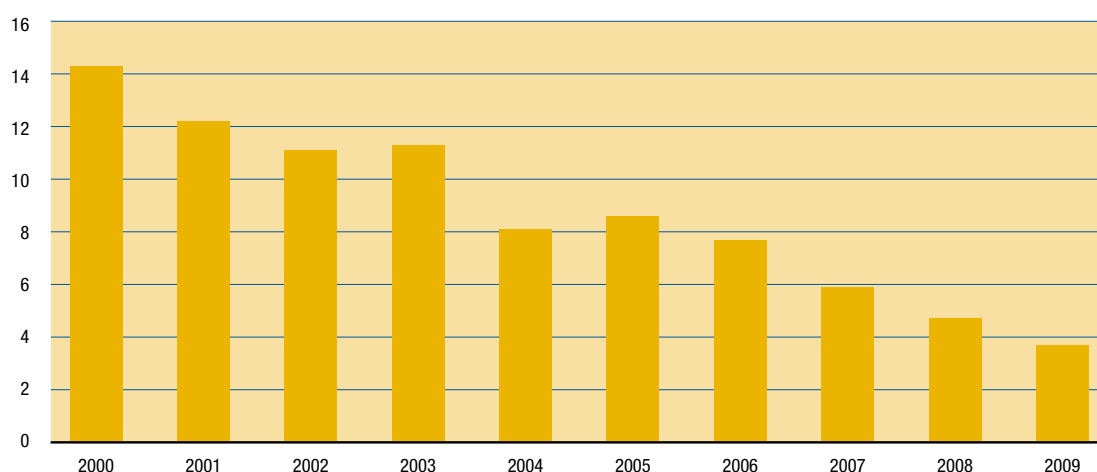
played a significant role. We expect that introducing the Boskalis Safety Standard and an awareness-raising program (both to be launched in 2010) will help lower the accident rate permanently. There were no fatal accidents at Boskalis in 2009.

A breakdown of the LTIF statistics by year (2009 and 2008) can be found below. The geographical distribution is commensurate with the areas defined by Boskalis in the appendix 'The world of Boskalis'.

Nature of the incidents

We analyse the nature and causes of accidents in detail every year. Our analysis of 2009 and 2008 has shown that more than 50% of the accidents were in the following top three categories: 1) falling, tripping and slipping; 2) being hit by an object; 3) getting a limb jammed. Accidents when working with tensioned hawsers, cables and winches or with dry earthmoving equipment often lead to relatively serious injury.

Lost Time Injury Frequency (LTIF)



	LTIF	% hours
Europe	7.5	26.8
Offshore	0	4.7
East	3.3	7.9
Middle (incl. Nigeria)	1.1	14.3
West	6.5	12.7
Middle-East	0.5	25.4
Other (Papendrecht and Central Technical Department)	3.9	8.0
Total	3.7	100.0

In an effort to tackle this problem, we called in a consultant in 2009 to study how we can make working with mobile equipment safer. We used the lessons learned from this large-scale study to improve our internal guidelines. We also updated our own safety training course (MANsafe) in 2009. Given the risk of working with hawsers, cables and winches and with heavy-duty dry earthmoving equipment, we have developed separate training modules for these activities in order to raise awareness.

The data provided by the accident analysis will also be used to help develop the safety program that we intend to implement in 2010.

Certification

Our aim is to achieve the highest SHE-Q standards, and we demonstrate that by ensuring certification of our processes and management systems. In the past few years, Boskalis International, our home markets and specialist niche services have achieved close to full certification for international environmental management standards (ISO 14001), health & safety


























(OHSAS 18001) and quality management (ISO 9001). Boskalis Nederland has been certified for the VCA and OHSAS 18001 standards, both generally applicable in the Netherlands. All certificates have been issued by Bureau Veritas Certification.

Owing to its growing number of international projects, Boskalis Dolman will add the ISO 14001 and OHSAS 18001 to its existing ISO 9001/VCA certification. Home market Mexico will also be adding ISO 14001 and OHSAS 18001 to its ISO 9001 certification.

Awards

In 2009, our clients presented us with the following awards for our SHE-Q achievements:

- Saipem award to PT Boskalis International Indonesia for two million man-hours worked without a single LTI (Lost Time Injury).
- Abu Dhabi Ports Company award to Khalifa Port Marine Consortium for 8 million man-hours worked without a single LTI.

	ISO 14001	OHSAS 18001 or VCA*	ISO 9001
International projects			
Home markets			
Netherlands	-		
United Kingdom			
Germany			
Nordic (Finland, Sweden, Estonia, Lithuania)			
Mexico	2010/2011	2010/2011	
Nigeria	-	-	-
Niche markets			
Rock Fall			
Boskalis Offshore			
Cofra	-		
Boskalis Dolman	2010		

VCA Only for projects and activities carried out in the Netherlands, instead of OHSAS 18001*

- Brass LNG award to Nigerian Westminster Dredging and Marine Ltd. for 1 million man-hours worked without a single LTI.
- Health, Safety and Environment Certificate awarded by First Point Assessment to Boskalis Offshore. This UK company manages FPAL, an independent HSE database of subcontractors and suppliers that clients can use to determine the safety performance of potential business partners. The FPAL database is used by many of Boskalis' clients in the oil and gas industry.
- Letter of recommendation by Woodside for the excellent safety and environmental performance of the Queen of the Netherlands on the Pluto Phase 2 project in north-western Australia.
- Top 10 Bechtel ranking for the Khalifa Project in Abu Dhabi (during a Health and Safety Assessment, Boskalis achieved a 94.5% compliance score).

On our way to a single Boskalis Standard

Continuous improvement is at the heart of our SHE-Q policy. But in order to know where we are going, and how, it is important to know where we stand. In 2008, our Board of Management put together a multidisciplinary project team consisting of senior managers from different sections of the company, both operational and corporate staff. The Boskalis Safety Program project team was asked to evaluate Boskalis' existing safety standard and to use the results to develop a program that would raise that standard.

The project team findings show that Boskalis' safety policy developed on an ad hoc basis in the course of time. As the company faced new client demands, new legislation and guidelines, new locations and developed its own ideas about safe working practices, a kaleidoscope of different rules arose. The project team intends to extract a single, transparent Boskalis Standard from this mix. The idea is to develop a streamlined set of procedures

and rules that will clarify what is expected of our employees. Risk management will be the key factor, as should be the case in a project organization operating under highly flexible circumstances.

The project team will also be working to encourage safety-conscious behavior and a safety culture at work. One important source of input is the worldwide corporate culture and safety survey that the project team initiated in 2009 in cooperation with the renowned company Behavioral Science Technology (BST). More than 2,400 Boskalis employees participated in the Safety Survey, and more than 350 employees took part in group interviews. There were also additional interviews with members of the Board of Management and managers. Finally, BST conducted in-depth interviews with 20 Boskalis clients in order to probe their ideas about how safety and CSR are assessed when evaluating tenders.

The results of the Safety Survey were announced in late 2009. It turns out that Boskalis gets high marks for organizational factors and team spirit. By now, we also know what we need to improve: communication from worker to management (bottom-up), holding one another accountable, and making safety a standard and a value. We consider the results of this large-scale survey as a baseline measure, one that gives us a solid frame of reference for developing our safety program, which will be launched in 2010.



Safety as a shared value

Improving safety has been one of Boskalis' top strategic priorities in recent years. We have taken steps in numerous areas and worked on developing a new policy and on tightening up our rules. Our safety performance has improved, year after year. The accident rate is falling and OHSAS 18001 certification demonstrates that our processes are also in good shape. For Boskalis, however, this is only the beginning. CEO Peter Berdowski and Group director Offshore Frank Verhoeven explain why.

Peter Berdowski, CEO

"Leading the way in safety is no reason to rest on our laurels. Let's face it, every accident is one too many. Our projects are also getting bigger and more complex all the time, and that increases the risk involved. So safety remains a top priority. To take the next step and satisfy the stringent safety requirements that are being set, particularly

in the upper market segment, it's vital for us to develop the right safety culture. We've reached a point where it's no longer the system that can drive further progress, but only the behavior of our employees. We are moving in the direction of a safety culture in which we look after one another. Safety should be a shared value that drives every person's behavior."



To flesh out this idea, Boskalis set up a multi-disciplinary project team in late 2008. This multidisciplinary approach is a deliberate attempt to approach safety from different angles. The project team is exploring which improvements are possible to arrive at the right safety culture. One of the steps we have taken is to conduct a major corporate culture and safety survey in 2009 in cooperation

with independent company Behavioral Science Technology.

Frank Verhoeven

“We needed to interview our employees to get a good idea of their concerns right now, so that everyone can identify with the safety culture we hope to develop. Based on the survey, we will define the Boskalis Standard, which will sum up the kind of safety behavior we are looking for in a number of values and rules. We will be working on this in 2010, with the aim of aligning our actions and behavior with the Boskalis Standard through our training courses, for example. In the next few years, we will be concentrating on encouraging the right behavior based on a single, uniform Boskalis Standard.”



Ambition

It is our ambition to create sustainable value through our operations and we have worked hard in the past decade on various areas of our broad corporate social responsibility. In the years ahead we want to broaden the scope of our CSR reporting where possible, both content-wise and with quantified targets.

Reporting scope

In the coming years it is our ambition to broaden the scope of our reporting in the following areas:

- Broaden the scope to include decentralized organizations in the home markets. That means, for example, that the information on CO₂ emissions that is currently limited to the central fleet will be extended to include information on our decentralized equipment.
- Broaden the scope to include the project

organizations. This could include clarifying the use of energy on project sites and the use of fuel by smaller equipment.

- Broaden the scope of this report to include information on Lamnalco and possibly Smit Internationale N.V., once the merger has successfully been completed.

Broader content

In 2010 we will review whether and, if so, to what extent we will report on additional parameters, and to what extent we can broaden the current presentation of parameters. This includes the following subjects:

Supply chain responsibility

To properly define the term 'supply chain responsibility', we want to set conditions for our subcontractors and suppliers where possible and



develop a comprehensive plan. In doing so, it is imperative that we take into account the specific constellation in which we operate. For instance, in practice clients sometimes dictate the use of certain suppliers. Furthermore, we do business with subcontractors and suppliers around the world while our project and home-market organizations often largely operate on an autonomous basis.

Stakeholder dialogue

In 2010 we also want to take steps to achieve structured stakeholder dialogue. To do so we will first review which parties we are able to involve in the further development of our CSR policy and whether they are open to this. In dialogue with them we will devise a plan aimed at focused and effective involvement.

Safety awareness: moving toward one Boskalis standard

In 2009 the Boskalis Safety project team researched how to achieve further improvement when it comes to rules, procedures and equipment. The findings of the research point to one clear Boskalis Safety Standard or one shared joint vision on safety and quality. By positioning safety and quality standards at the beginning of the supply chain we will also be able to manage preventively. To embed this Boskalis Safety Standard in the organization we will implement a Safety Program focused on conduct in 2010.

Environment

In 2010 we will explore ways to further improve and refine the reporting on environmental parameters. We are, for example, considering expanding our reporting in the coming years with information on CO₂ emissions from our decentralized equipment, the use of energy on project sites, the use of fuel by smaller equipment and on our SOx emissions.

Employees

We will improve and standardize the systems used to report HR information. In addition we will expand the systems to provide clear definitions on these parameters.

Where possible:

- **Broaden the scope of our CSR report**
- **Extend the report content-wise**
- **Define tangible targets**

Quantified targets

We realize that the targets stated in this, our first CSR report are not very quantified. For us, this report primarily serves to reveal the current situation in the year 2009. It has given us an insight into the main parameters. Now that we have identified them clearly, we will work to define tangible targets in the years ahead.

Global Reporting Initiative Index

This report is based on the GRI system. The table below lists the sections and page numbers of references to the general GRI indicators that we are reporting on.

GRI Index	Chapter	Page
Strategy and Analysis		
1.1 Chairman's statement	Chairman's statement	6
Organization profile		
2.1 Name of the organization	Who we are	8
2.2 Products and services	Who we are	8
2.3 Operational structure	Who we are	8
2.4 Location headquarters (Papendrecht, The Netherlands)	Who we are	8
2.5 Operating countries	Who we are	8
2.6 Nature of ownership and legal form	Organization and Corporate Governance	13
2.7 Markets	Who we are	8
2.8 Scale of reporting	Who we are	8
2.9 Changes in organization	Organization and Corporate Governance	12
2.10 Awards	Safety	55, 56
Reporting Parameters		
3.1 Reporting period	About this report	2
3.2 Previous report	About this report	2
3.3 Reporting cycle	About this report	2
3.4 Contact point	Colophon	75
3.5 Process defining report content	About this report	2
3.6 Boundary	About this report	2
3.7 Limitations on scope or boundary	About this report	2
3.8 Basis for reporting on joint ventures	About this report	2
3.10 Re-statements	About this report, Ambition	2, 60, 61
3.11 Changes in reporting	About this report	2
3.12 Standard disclosures	About this report	2
3.13 Policy and current practice w.r.t. external assurance	About this report	2
Governance, Commitments and Engagement		
4.1 Governance structure	Organization and Corporate Governance	12, 13
4.2 Chair of the highest governance body	Organization and Corporate Governance	12, 13
4.3 Independency	Organization and Corporate Governance	12, 13
4.4 Mechanisms for shareholders and employees	Organization and Corporate Governance	12, 13
4.14 List of stakeholder groups	Society, Ambition	22, 23, 60, 61
4.15 Identification and selection of stakeholders	Society, Ambition	22, 23, 60, 61
Economic Performance Indicators		
EC 1 Direct economic value	Who we are, Value chain, Society	10, 11, 15 to 21, 24 to 27, 68
EC 8 Investments in local infrastructure and services	Value chain, Society	15 to 21, 24 to 27
Environmental Performance Indicators		
EN 3 Direct energy consumption by primary energy source	Environment	31
EN 4 Indirect energy consumption by energy source	Environment	31
EN 12 Significant impacts on biodiversity	Value chain, Society, Environment	14 to 21, 27, 30 to 39
EN 13 Habitats protected or restored	Value chain, Society, Environment	14 to 21, 26 to 29, 30 to 39
EN 14 Strategies, current actions and future plans for managing impacts on biodiversity	Value chain, Environment	14 to 21, 30 to 39
EN 16 Greenhouse gas emissions	Environment	31
Social Performance Indicators		
LA 1 Workforce profile	Our workforce	41, 64 to 67
LA 2 Employee turnover	Our workforce	41, 42, 64, 65
LA 7 Injuries, diseases and absenteeism	Our workforce, Safety	46, 47, 52 to 54
LA 11 Internal training and (pre-)pension schemes	Our workforce, Safety	43 to 45, 52, 55, 66
LA 12 Employees receiving regular performance and career development reviews	Our workforce	44
LA 13 Gender composition of governance bodies	Organization and Corporate Governance	12, 41 to 43, 64 to 67
SO 1 Programs assessing the impacts of operations on communities, including entering, operating and exiting	Value chain, Environment, Our workforce	14 to 21, 33 to 39, 45, 46, 48, 49

Assurance report

To the Board of Management of Royal Boskalis Westminster N.V.

Report on the Corporate Social Responsibility Report

Scope and responsibilities

We have reviewed the Corporate Social Responsibility Report 2009 (hereafter: 'the Report') of Royal Boskalis Westminster N.V., Papendrecht in which the company renders account of its performance related to sustainability in 2009.

Review: limited assurance

A review is focused on obtaining limited assurance which does not require exhaustive gathering of evidence as in audit engagements. Consequently a review engagement provides less assurance than an audit.

We do not provide any assurance on the assumptions and feasibility of prospective information, such as targets, expectations and ambitions, included in the Report. This is the first year that the Report is prepared and examined. Comparative figures, as included in this Report for the years before 2009, have not been examined by us, unless stated otherwise.

Management of Royal Boskalis Westminster N.V. is responsible for the preparation of The Report. We are responsible for providing an assurance report on the Report.

Reporting criteria

Royal Boskalis Westminster N.V. developed its reporting criteria on the basis of the G3 Guidelines of the Global Reporting Initiative (GRI) as published in October 2006, as mentioned on page 2 of the Report. The reporting criteria as developed by Royal Boskalis Westminster N.V. contain certain inherent limitations which may influence the reliability of the information. The Report does not cover the complete organization. It only reports on the product segment Dredging & Earthmoving and with respect to the fleet only about the central fleet. This is adequately disclosed in the Report on page 2.

We consider the reporting criteria to be relevant and sufficient for our examination.

Work performed

We planned and performed our work in accordance with Dutch law, including Standard 3410N 'Assurance

engagements relating to sustainability reports'. Our most important review procedures were:

- performing an external environment analysis and obtaining insight into the branch, relevant social issues, relevant laws and regulations and the characteristics of the organization;
- assessing the acceptability of the reporting policies and consistent application of this, such as assessment of the outcomes of the stakeholder dialogue and the reasonableness of estimates made by management, as well as evaluating the overall presentation of the Report;
- reviewing the systems and processes for data gathering, internal controls and processing of other information, such as the aggregation process of data to the information as presented in the Report;
- reviewing internal and external documentation to determine whether the information in the Report is substantiated adequately;
- determining whether the financial figures in this Report have been correctly derived from the financial statements 2009 of Royal Boskalis Westminster N.V., in which an unqualified auditor's reports has been issued by KPMG Accountants N.V.;
- assessing the application level according to the G3 Guidelines of GRI.

We believe that the evidence obtained from our examination is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our procedures performed, nothing has come to our attention that would cause us not to conclude that in all material respects the Report provides a reliable and adequate presentation of the policy of Royal Boskalis Westminster N.V. for sustainable development, or of the activities, events and performance of the organization relating to sustainable development during the reporting year, in accordance with the Royal Boskalis Westminster N.V. reporting criteria.

Rotterdam, 17 March 2010

PricewaterhouseCoopers Accountants N.V.















Original has been signed by
A.F. Westerman RA






HR tables

Composition of workforce

Number of employees by country

	2009	2008	%
 Netherlands corporate	556	570	-2.5%
 Netherlands home market	587	572	2.6%
 Germany	172	156	10.3%
 Nordic (Finland + Sweden)	294	302	-2.7%
 UK	187	204	-8.3%
 Mexico	500	529	-5.5%
 Nigeria	395	573	-31.1%
 Dutch International Pool	786	830	-5.3%
 Middle East	238	273	-12.8%
 Australia	469	467	0.4%
 Philippines	480	503	-4.6%
 Baltic States	141	136	3.7%
 Russia/Ukraine	42	36	16.7%
 Other	94	85	10.6%
Total	4,941	5,236	-5.6%

 Head office
 Home markets
 Fleet and international projects

Type of contract

	2009		2008	
		Ratio		Ratio
Temporary appointment	1,292	26.1%	1,467	28.0%
Permanent appointment	3,649	73.9%	3,769	72.0%
Total	4,941	100%	5,236	100%

Women/men, part-time/full-time ratios

	2009		2008	
Gender		Ratio		Ratio
Women	388	7.9%	415	7.9%
Men	4,553	92.1%	4,821	92.1%
Total	4,941	100%	5,236	100%



	2009		2008	
Part-time/full-time ratios		Ratio		Ratio
Part-time	193	3.9%	179	3.4%
Full-time	4,748	96.1%	5,057	96.6%
Total	4,941	100%	5,236	100%

Age profile


	2009		2008	
		Ratio		Ratio
Age <30	883	17.9%	994	19.0%
Age 30-50	2,804	56.7%	2,967	56.6%
Age >50	1,254	25.4%	1,275	24.4%
Total	4,941	100%	5,236	100%

Development



Job categories



	2009		2008	
<i>Job categories</i>		Ratio		Ratio
 Management	98	2.0%	100	1.9%
Office staff	1,006	20.4%	1,018	19.4%
 Project staff	967	19.6%	935	17.9%
Crew/yard staff	2,870	58.0%	3,183	60.8%
Total	4,941	100%	5,236	100%

Job categories women/men ratios - 2009

	Women	Men
 Management	4.1%	95.9%
Office staff	31.4%	68.6%
 Project staff	5.3%	94.7%
Crew/yard staff	0.6%	99.4%
Totaal	7.9%	92.1%

Job categories by age ratios - 2009

	Age <30	Age 30-50	Age >50
 Management	0.0%	48.0%	52.0%
Office staff	14.9%	61.9%	23.2%
 Project staff	23.5%	56.2%	20.3%
Crew/yard staff	17.6%	55.4%	27.0%
Total	17.9%	56.7%	25.4%

 Office
 Operational employees

Training

The figures in the table below are minimum figures based on registration in the various countries. Training courses which were provided on a project basis or were not arranged through the country organization are not included in the total figure.

<i>Training days</i>	2009	2008	%
Management	146	265	-44.9%
Office staff	2,057	2,296	-10.4%
Project staff	1,217	1,272	-4.3%
Crew/yard staff	5,595	4,257	31.4%
Total	9,015	8,090	11.4%

Recruitment

Inflow

<i>Inflow by age</i>	2009	2008	%
Age <30	339	608	-44.2%
Age 30-50	393	875	-55.1%
Age >50	104	174	-40.2%
Total	836	1,657	-49.6%

Outflow

<i>Outflow</i>	2009		2008	
		Ratio		Ratio
Voluntary resignation	183	16.2%	258	32.3%
End of project/contract	755	66.8%	417	52.2%
Dismissal	119	10.5%	61	7.6%
Retirement	74	6.5%	63	7.9%
Total	1,131	100%	799	100%

<i>Outflow by age in 2009</i>	2009
Age <30	366
Age 30-50	562
Age >50	203
Total	1,131

Ten-year overview of Boskalis ^{(1) (13)}

(amounts x € 1 million, unless stated otherwise)											
		2009	2008	2007	2006	2005	2004	2003 ⁽²⁾	2002	2001	2000
Turnover (work done)		2,175	2,094	1,869	1,354	1,156	1,020	1,046	1,035	1,083	960
Order book (work to be done)	(3)	2,875	3,354	3,562	2,543	2,427	1,244	1,202	1,273	1,224	1,214
EBIT	(4)	249.3	339.1	245.5	150.3	82.3	47.5	69.6	99.6	97.7	84.4
EBITDA	(5)	444.9	454.6	348.1	236.8	162.5	136.5	148.9	166.2	159.9	139.6
Net result		227.9	249.1	204.4	116.6	62.7	33.9	70.9	82.1	77.7	67.2
Net group profit	(6)	229.2	250.1	207.1	117.0	63.3	34.1	70.9	82.1	77.7	67.2
Depreciation and impairment losses		195.7	115.4	102.5	86.6	80.2	89.0	79.3	66.6	62.2	55.2
Cash flow		424.8	365.6	309.6	203.6	143.5	123.1	150.2	148.7	139.9	122.4
Shareholders' equity	(3)	1,295.8	860.1	768.1	618.6	542.9	467.9	455.2	413.0	376.0	327.4
Average number of outstanding shares (x 1,000)	(7)	88,372	85,799	85,799	85,799	85,254	83,307	79,890	77,847	77,700	77,352
Number of outstanding shares (x 1,000)	(8)	98,651	85,799	85,799	85,799	85,799	84,522	81,768	77,910	77,751	77,643
Personnel (number of persons)	(3)	10,597	10,201	8,577	8,151	7,029	7,033	3,186	3,285	3,119	3,295
Ratios (percentages)											
Operating result as % of the turnover		11.5	16.2	13.1	11.1	7.1	4.7	6.7	8.9	9.0	9.6
Return on capital employed	(9)	20.4	29.0	27.7	19.1	12.0	7.0	16.0	20.3	21.4	21.0
Return on equity	(10)	21.1	30.6	29.5	20.1	12.4	7.2	16.3	20.8	22.1	21.8
Solvency	(3/11)	46.5	34.0	35.3	39.4	41.3	38.1	42.5	41.6	38.4	37.5
Figures per share (x € 1.00)											
Profit	(7/12)	2.58	2.90	2.38	1.36	0.74	0.41	0.89	1.05	1.00	0.87
Cash flow	(7)	4.81	4.26	3.61	2.37	1.68	1.48	1.88	1.91	1.80	1.58
Dividend		1.19	1.19	1.19	0.68	0.37	0.25	0.35	0.42	0.40	0.35
Share price range (x € 1.00)											
(Depository receipts of) ordinary shares		13.25	15.30	21.06	14.67	8.58	6.02	5.50	5.93	8.38	5.50
		28.45	42.45	46.25	25.48	18.75	8.33	7.72	11.85	12.38	10.17

(1) Figures taken from the financial statements. As from 2004 all amounts are in accordance with EU-IFRS.

(2) Results on work in progress from 2003 onwards based on work done and up to and including 2002 based on completed contracts.

(3) As at December 31, 2003 amended for EU-IFRS (number of personnel: December 31, 2004).

(4) Consists of earnings before share in result of associated companies, finance income and expenses and taxation.

(5) Consists of earnings before share in result of associated companies, finance income and expenses, taxation, depreciation and impairment losses

(6) As from 2004: net result + net profit attributable to minority interests.

(7) Weighted average number of outstanding shares less the number of shares owned by the company.

(8) Number of outstanding ordinary shares less the number of shares owned by the company as at December 31.

(9) Net result + interest paid on long-term loans as % of the average capital employed (shareholders' equity + long-term loans).

(10) Net result as % of the average shareholders' equity.

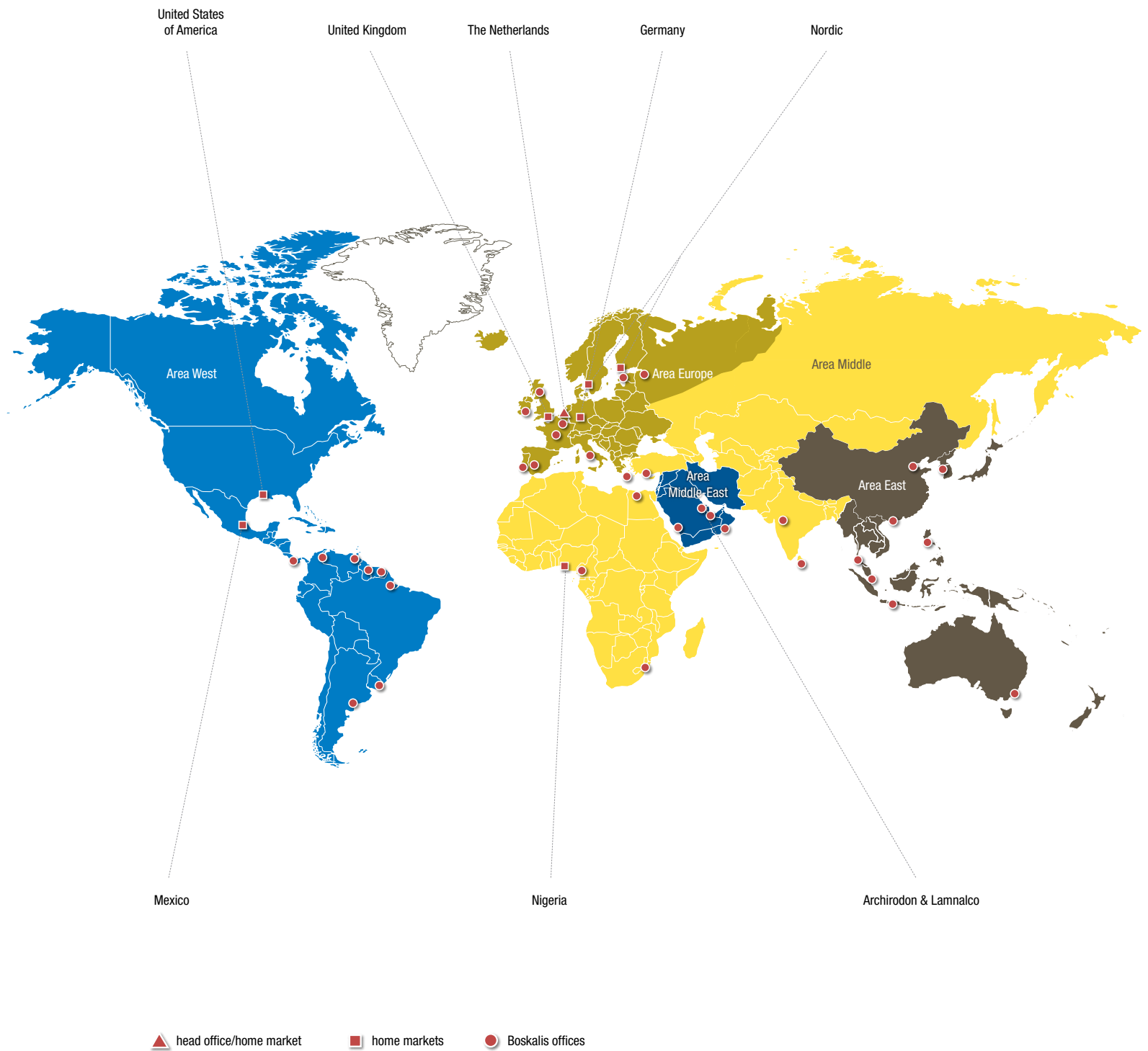
(11) Group equity as % of the balance sheet total (fixed assets + current assets).

(12) The dilution effect was practically nil up to the financial year 2009.

(13) On May 21, 2007 Royal Boskalis Westminster N.V. effected a share split on a three-for-one basis (three new shares for one old share) in order to increase the liquidity of the Boskalis share.

For comparative purposes the data regarding the number of shares and figures per share of all the periods has been recalculated to the situation after the split of the ordinary Boskalis shares in 2007.

The world of Boskalis



Legal structure

Royal Boskalis Westminster N.V.

Boskalis Westminster Dredging B.V.

Holding and service companies

A selection of operating companies and participating interests

Boskalis Holding B.V.

Baggermaatschappij Boskalis B.V.

Aannemersbedrijf M. de Haan B.V.

Aannemingsmaatschappij Markus B.V.

A.H. Breijs & Zonen B.V.

Baggermaatschappij Holland B.V.

Boskalis B.V.

Boskalis Dolman B.V.

Boskalis Infra B.V.

Cofra B.V.

Hydronamic B.V.

J. van Vliet B.V.

Zinkcon Dekker B.V.

Boskalis Westminster International B.V.

Boskalis Westminster Ltd

Boskalis Zinkcon Ltd

Irish Dredging Company Ltd

Rock Fall Company Ltd

RW Aggregates Ltd (50%)

Westminster Gravels Ltd

Boskalis International B.V.

Adreco Serviços de Dragagem LDA (49%)

Beijing Boskalis Dredging Technology Ltd

BKI Gabon SA

Boskalis Australia Pty Ltd

Boskalis International Egypt for Marine Contracting SAE

Boskalis International (M) Sdn Bhd (30%)

Boskalis International (S) Pte Ltd

Boskalis International Uruguay SA

Boskalis Guyana Inc.

Boskalis South Africa (Pty) Ltd

Boskalis Taiwan Ltd

Boskalis Zinkcon B.V.

Coastal and Inland Marine Services Inc.

Dragamex SA de CV

Dravensa CA

Koon Zinkcon Pte Ltd (50%)

P.T. Boskalis International Indonesia

Riovia SA

Zinkcon Marine Singapore Pte Ltd

Others

Archirodon Group N.V. (40%)

Atlantique Dragage SARL

Beaver Dredging Company Ltd

BKW Dredging and Contracting Ltd

Boskalis Dredging India Pvt Ltd

Boskalis Italia S.r.l.

Boskalis Polska Sp. z o.o.

Boskalis Sweden AB

Dredging & Contracting Belgium NV

Heinrich Hirdes Kampfmittelräumung GmbH

Nigerian Westminster Dredging & Marine Ltd (60%)

OOO Bolmorstroy

OOO Mortechnika (50%)

Soc. Española de Dragados SA

Stuyvesant Dredging Company

Terramare Oy

Others (continued)

Boskalis Westminster Aannemers N.V.
 Boskalis Westminster Cameroun SARL
 Boskalis Westminster (Oman) LLC (49%)
 Dragapor Dragagens de Portugal S.A.

UAB Boskalis Baltic
 Westminster Dredging Company Ltd
 Zinkcon Contractors B.V.
 Zinkcon International B.V.

Boskalis Offshore B.V.

Sandpiper AS

Boskalis Offshore AS

Boskalis Westminster Middle East Ltd

Lamnalco Ltd (50%)
 Lamnalco (Nigeria) Ltd (50%)
 Lamnalco (Sharjah) Ltd (35%)

Boskalis Westminster Al-Rushaid Ltd (49%)

BW Marine (Cyprus) Ltd**Boskalis Finance B.V.**

Boskalis Maritime Investments B.V.

Smit Internationale N.V. (29,98% as per February 24, 2010)

Aerial photograph of the St. Petersburg project, taken in December 2009.



Glossary

Backhoe

A large hydraulic excavating machine positioned on the end of a pontoon. The pontoon is held firmly in place using spuds. Backhoes can dredge in a range of soil types with extreme precision.

Ballast water

Ballast water in ships is used to improve depth, stability and strength in case the ship is not fully loaded.

Building with Nature

Innovation program focused on the development of new design concepts for river, coastal and delta areas. The aim of the program is to investigate the best approach to strengthen the interaction between human activities and nature.

Cashflow/profit per share

Weighted average number of outstanding shares less the number of shares owned by the company. In case of profit based on year end the number is based on the number of outstanding shares owned by the company as at December 31.

Central Fleet

The central fleet comprises those ships that are managed (technically) by the head office in Papendrecht, The Netherlands and encompasses the main production units.

CO₂

Carbon dioxide is an odorless and colorless gas and exists in the Earth's atmosphere. Carbon dioxide is a greenhouse gas (source Wikipedia).

Cutter suction dredger

A ship that dredges while being held into place using spuds and anchors. This technique combines powerful cutting with suction dredging. Cutter suction dredgers are mainly used where the bed is hard and compact. The dredged material is loaded into hoppers but is generally pumped to land through a pressure pipeline.

EBITDA

Result before share in result of associated companies, finance income and expenses, taxation and depreciation, amortization and impairment losses.

Fatigue

A state of reduced capacity to perform activities in a concentrated and effective manner as a result of a longer period of imbalance between exertion, on the one hand, and sufficient opportunity to rest, on the other.

Fouling

Micro organisms found on the sides of ships.

GRI

Global Reporting Initiative. An international organization that develops global standards for annual social reporting. The aim of GRI is to make sustainability reporting as routine and comparable as financial reporting for all organizations - regardless of size, industry or location.

HFO

Heavy Fuel Oil.

Home market

Boskalis distinguishes itself from its competitors by the use of a home market strategy. The home market organizations have local marketing profiles, as well as their own fleet and infrastructures. They can rely on the support of the financial and technical resources of the global Boskalis organization. Home markets provide a stable flow of assignments and opportunities to generate additional margins through associated activities.

IMO

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

International projects market

Market that focuses primarily on larger capital expenditure projects for new buildings and/or extensions.

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 of the International Organization for Standardization; the global federation of national normalization organizations that issues standard requirements for, amongst other things, quality management systems (ISO-9001) and environmental management systems (ISO-14001).

LTIF

Lost Time Injury Frequency. Expresses the number of workplace accidents serious enough to result in absence from work, per million hours worked.

MDO/MGO

Marine Diesel Oil/Marine Gas Oil.

NOx

Nitrogen oxide is a generic term for mono-nitrogen oxides (NO and NO₂). These oxides are produced during combustion, especially at high temperature. NO_x is a component of smog and are greenhouse gasses (source Wikipedia).

Particulate matter

Tiny particles, smaller than 10 microns, in the air. Increased levels of fine particles in the air are linked to health hazards.

Return on capital employed

Net result + interest paid on long-term loans as percentage of the average capital employed (shareholders' equity + long-term loans).

Ripper head

Unique drag head to dredge hard rock with a trailing suction hopper dredger.

SHE-Q

Safety, Health, Environment-Quality

SOx

Sulfur oxide (SO_x) is the combined name for sulfur dioxide (SO₂) and sulfur trioxide (SO₃). It is a combustion product consisting of sulfur and oxygen that is mainly emitted in the combustion of sulfur-containing fossil fuels including some types of crude oil, brown coal or hard coal. It is one of the key components of air pollution and smog (source Wikipedia).

Trailing suction hopper dredger

A self-propelled unit that loads its well or hopper using centrifugal pumps and pipes that trail over the bed as the ship sails. Trailing suction hopper dredgers can operate independently of other equipment and 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

Turbidity

Turbidity is caused by dredging up the seabed. This temporarily reduces the amount of light reaching the underwater flora and fauna.

VCA

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

Equipment

The list below concerns the vessels in the central fleet for which CO₂ emissions are reported.

Expressed in numbers they represent 12% of the entire Boskalis fleet. However, when calculated as installed power, for which there is a correlation between power and CO₂ emissions, these vessels represent 57% of the total installed power of the fleet.

Trailing suction hopper dredgers

- Gema
- Argonaut
- Beachway
- Medway II
- Alpha B
- Waterway
- Coastway
- Crestway
- Shoreway
- Cornelia
- Barent Zanen
- Cornelis Zanen
- Seaway
- Prins der Nederlanden
- Oranje
- Queen of the Netherlands

Cutter suction dredgers

- Seine
- Para
- Orion
- Jokra
- Nordland
- Edax
- Cyrus
- Phoenix
- Taurus
- Ursa

Backhoes

- Attila
- Koura II
- Manu Pekka
- Colbart
- Maricavor
- Rocky
- Nordic Giant
- Wodan

Hopperbarges

- Avon
- Test
- Itchen
- Cork Sand
- Long sand
- Frigg
- Rind

Colophon

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