

**CORPORATE SOCIAL  
RESPONSIBILITY REPORT**

# CSR REPORT 2013





# CSR REPORT 2013

This is an English translation of the CSR Report in the Dutch language. In the event of discrepancies between the two, the Dutch version shall prevail.

Printed copies of this CSR Report can be requested via [csr@boskalis.com](mailto:csr@boskalis.com).

The CSR Report can be found on [www.boskalis.com](http://www.boskalis.com).



A Boskalis surveyor at the reclamation area at the port of Mombassa, Kenya

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# STATEMENT FROM THE CEO

Dear reader,

With the acquisitions of SMIT and Dockwise we have further reinforced and expanded our activities in the offshore energy sector. Both here and in our other activities, demand for sustainable solutions is moving up the agenda all the time. As an expert in dredging and maritime services we draw on all the talent in our organization for the sustainable design and realization of our solutions around the world.



We give an extra impulse to sustainable development by pooling resources in the chain with our clients and suppliers. Our Meet the Buyer sessions generated some promising initiatives once again in 2013. We will be organizing a new round of these sessions in 2014. Our recycling processes are also held in high regard by organizations that include the NGO Shipbreaking Platform. We want long-term, stable relationships with our suppliers. We conduct annual reviews to ensure our suppliers comply with the Supplier Code of Conduct that was drawn up in consultation with our strategic suppliers. We conducted an implementation scan again in 2013; it covered a selection of strategic suppliers in various European countries, revealing that three out of the four suppliers whose scores were too low in the 2012 implementation scan have made good progress. Our approach, which encourages sustainable development from both parties, is well received, but we will take leave of suppliers who fail to improve their sustainability scores.

## OUR SOCIAL PERFORMANCE

The capital- and knowledge-intensive nature of our industry means that we need well-qualified and experienced professionals; they are essential to us and help us to maintain our leading market position. It is vital for our company to recruit, develop and retain talent, and for our people to feel they are being challenged to make a professional contribution. We welcome individual initiative in line with the framework set out in the Statement of General Business Principles. In constructive consultation with the Works Council, the integration with MNO Vervat was almost completed in 2013 and an energetic start was made on the integration of Dockwise. The growth of our company also offers abundant career prospects for our staff and, in 2013, we adapted our range of courses and training accordingly, adding specific modules.

Our activities have a relatively high risk profile. Our *NINA* safety program - No Injuries, No Accidents - is recognized as being progressive both within our industry and beyond. At Boskalis itself, safety awareness has improved considerably over the past few years. *NINA* is important to everyone, at every level of our company. Thanks to the open culture that has been created we have found that *NINA* is more than just a safety program; *NINA* connects because it is a dialogue about shared values, a shared culture. The statistics confirm the progress we have made. In 2013, the Lost Time Injury Frequency fell again: from 0.26 (2012) to 0.11 per 200,000 hours worked in 2013. This success was achieved despite our company's recent growth. We can be proud of our safety record. Our target remains No Injuries, No Accidents.

As well as creating good HR conditions and a safe working environment we also provide help when this is needed, for example for 70 members of our staff in the Philippines who were affected by typhoon Haiyan in 2013. The homes of most of them were destroyed or damaged. We provided financial support so they could rebuild their lives.

## OUR ENVIRONMENTAL PERFORMANCE

'Environmental excellence' is becoming increasingly important in the sustainable management and development of vulnerable river, delta and coastal areas of the world. This is precisely where a substantial part of our work is located. In addition, mining firms, and oil and gas companies, are extending their explorations also into vulnerable areas. This makes sustainable initiatives essential, not only in our dredging operations but also in our offshore services.

Boskalis aims to be an innovative and leading player in eco-engineering, offering an optimal balance between the ecological, social and economic aspects of projects. The Eco-Engineering Task Force formulated its objectives in 2013 and made suggestions about how we can achieve them. In this report you can read more about some illustrative real-life cases.

The Energy Management Task Force focuses on the environmental benefits we can achieve with our fleet and equipment. We are taking the opportunities available in our Dutch market as well, and this resulted in our renewed certification for the highest rung on the CO<sub>2</sub> performance ladder in 2013. When project specifications include not just price but also sustainability values, we are challenged to keep coming up with new solutions for complex infrastructure issues. In other regions we anticipate changes in legislation and invest in R&D for cleaner fuels, sustainable techniques and environmentally friendly equipment. For example, we worked

with a number of suppliers to test cleaner fuels on our equipment in 2013.

## OUR SOCIETAL PERFORMANCE

Our primary activities have a positive effect on the safety and economy of the regions where we operate. We devote ample attention to environment management on our projects and, where possible, we source goods and services from local suppliers. On long-term projects or in regions where we have a virtually permanent presence we make targeted investments in schooling for local workers. We provide generous support to employee initiatives supporting local communities and social causes, as in Nigeria, where we had a community beach house built for the residents of the village of Ogulagha, and the Tour for Life event to raise money for Médecins Sans Frontières. You can read more about these initiatives elsewhere in this report.

## AMBITION

Since we published our first CSR report in 2009 our CSR reporting has been further extended and embedded. This year's report once again meets the requirements of GRI application 3.1 level B and we are preparing for the recently-introduced GRI 4 guideline.

As a result of the acquisitions of SMIT, MNO Vervat and Dockwise we have also had to integrate information accordingly in the area of CSR. We consider fully integrated CSR reporting to be a condition for external verification. In mid-2013 we set ourselves the objective to have the entire CSR report verified by an independent external party within the next few years. This report takes an important first step in that direction with the verification for the 2013 safety performance.

We hope that this report gives you a clear picture of our CSR performance. As always, we would appreciate any suggestions you may have for improving our CSR policy and reporting.

On behalf of the Board of Management



Peter Berdowski



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# PROFILE AND SERVICES

**Boskalis is the leading dredging & marine expert creating new horizons for all its stakeholders.**

In addition to our traditional dredging activities we offer a broad range of maritime services for the offshore energy sector. In addition to heavy transport and lifting and installation activities we provide towage services as well as emergency response and salvage related services.

As a partner we are able to realize complex infrastructural works for our clients within the chain of design, project management and execution, on time and within budget, even at vulnerable or remote locations around the world. We strive for sustainable design and realization of our solutions.

Demand for our services is driven by growing energy consumption, growth in global trade, growth in world population and climate change. Boskalis operates worldwide but concentrates on seven geographic regions which have the highest growth expectations for the energy and ports markets. This spread gives us both a solid foundation and the flexibility to be able to secure a wide range of projects, as well as providing good prospects for balanced and sustained growth. Our main clients are oil, gas and power companies, port operators, governments, shipping companies, international project developers, insurance companies and mining companies.

Boskalis has 11,000 employees, including our share in associate companies. The safety of our own employees and those of our subcontractors is paramount. Boskalis operates a progressive global safety program which is held in high regard in the industry and by our clients. We operate on behalf of our clients in over 75 countries across six continents. Our versatile fleet consists of 1,000 vessels and equipment. Our head office is based in the Dutch city of Papendrecht. Royal Boskalis Westminster N.V. shares have been listed on Euronext Amsterdam since 1971 and are again included in the AEX index from March 2014.



We are renowned for our innovative approach and specialist knowledge of environmentally friendly techniques. With our great expertise, multidisciplinary approach and extensive experience in engineering and project management we have proven time and again that we are able to realize complex projects on time and within budget, even at difficult locations.

## DREDGING

Traditionally, dredging is the core activity of Boskalis. It involves all activities required to remove silt, sand and other layers from the water bed and in some cases utilizing it elsewhere, for example for land reclamation. The services we provide also include the construction and maintenance of ports and waterways, and coastal defense and riverbank protection, as well as associated specialist services such as underwater rock fragmentation. In addition, Boskalis is active in the extraction of raw materials using dredging techniques. Our global spread, high professional standards, versatile state-of-the-art fleet and conscious focus on cost efficiency have earned us a recognized position as a global market leader in dredging.

## INLAND INFRA

Boskalis also operates as a contractor of dry infrastructure projects. In this area we are involved mainly in the Netherlands in the design, preparation (by means of dry earthmoving) and execution of large-scale civil infra works, such as the construction of roads and railroads, bridges, dams, viaducts and tunnels. In doing so, we also perform specialist works such as soil improvement and land remediation.

## OFFSHORE ENERGY

With our offshore services we support the activities of the international energy sector, including oil and gas companies and providers of renewable energy such as wind power. We are involved in the development, construction, maintenance and decommissioning of oil and LNG-import/export facilities, offshore platforms, pipelines and cables and offshore wind farms. In performing these activities Boskalis applies its expertise in the areas of heavy transport, lift and installation work, as well as diving and ROV services complemented with dredging, offshore pipeline, cable and rock installation.

## TOWAGE

In ports around the world SMIT Harbour Towage provides assistance to incoming and outgoing oceangoing vessels. With a versatile fleet of over 200 tugs we assist vessels including RoRo ships, oil and chemical tankers, container ships, reefers and mixed cargo ships. We operate our tug services in the Netherlands, Belgium, the United Kingdom, Canada, Brazil, Panama, Singapore, Malaysia, Indonesia, Brunei, China and Taiwan. In addition, we offer a full range of services for the operation and management of onshore and

offshore terminals through Smit Lamnalco, which is 50% owned by Boskalis. These include assistance with the berthing and unberthing of tankers at oil and LNG terminals and additional support services such as pilotage, subsea inspection and maintenance, firefighting, and the coupling and uncoupling of terminal connections.

## SALVAGE

Through SMIT Salvage we provide services relating to the salvage of ships and wreck removal. SMIT Salvage provides assistance to vessels in distress and is able to spring into action at any time and anywhere in the world. We are able to do so by operating out of four locations which are strategically situated in relation to the main international shipping routes: Houston, Cape Town, Rotterdam and Singapore. Clearance of wrecks of sunken ships almost always takes place at locations where the wreck forms an obstruction to traffic or presents an environmental hazard. We have the advanced technology and expertise needed to remove hazardous substances such as bunker fuel from wrecks and boast a successful track record in salvaging ships.



# STRATEGY, POLICY AND OBJECTIVES

Our strategy is aimed at sustainable design and execution of our solutions around the globe.

Urbanization, economic development, climate change and more extreme weather represent a challenge for the sustainable socio-economic development of deltas and coastal regions. In addition mining firms and oil and gas companies are taking their search for ore, oil and gas ever further, including into vulnerable areas. This makes sustainable initiatives essential, not only in our dredging operations but also in our offshore services activities.

Our CSR policy seeks to achieve a healthy balance between economic value creation for our clients and our business on the one hand, and care for the environment and societal and social responsibility on the other.

To ensure we exercise our social, societal and environmental responsibilities as effectively as possible our CSR policy focuses on the key areas which are of material importance to ourselves and our stakeholders and which we are able to influence. Our corporate strategy, the outcome of the dialogues with our stakeholders and the benchmark monitoring results have resulted in the following policy objectives and key areas:

- Our social performance relates to our employees and promoting their safety, personal development opportunities and well-being.
- Our environmental performance is concerned with the preservation of biodiversity and eco-systems through the further expansion of our environmental expertise and ongoing investment in and use of environmentally friendly equipment.
- Our societal performance relates to contributions to (local) communities and investment in education and research, as well as social sponsorship and donations.
- Our economic performance is aimed at creating value for our stakeholders through the continuity of our leading position in our industry.

We will take a closer look at our performance in these areas further on in this report.

We report in accordance with the international guidelines set out in the Global Reporting Initiative (version G3.1), application level B. The GRI table on pages 64-65 shows which KPIs we report on.

For a detailed description of our corporate strategy, please refer to pages 10-14 of our Annual Report 2013.



<b>CSR PERFORMANCE KEY FIGURES</b>	<b>2013</b>	<b>2012</b>
<b>SOCIAL PERFORMANCE</b>		
Workforce training/development hours	<b>151,852</b>	174,870
LTIF	<b>0.11</b>	0.26
<b>SOCIETAL PERFORMANCE</b>		
Number of interns, graduates and doctorate students supervised	<b>130</b>	95
<b>ENVIRONMENTAL PERFORMANCE</b>		
CO <sub>2</sub> -emissions in metric tonnes (see page 47 for explanation)	<b>1,630</b>	1,051
Investment in Building with Nature (in EUR)	<b>250,000*</b>	500,000
<b>ECONOMIC PERFORMANCE (IN MILLIONS OF EUR)</b>		
Revenue (work done)	<b>3,539</b>	3,081
Order book (work to be done)	<b>4,005</b>	4,106
Operating profit	<b>466</b>	337
EBITDA	<b>800</b>	568
Net profit	<b>366</b>	250
<b>RESULTS PER SHARE (IN EUR)</b>		
Profit	<b>3.09</b>	2.37
Dividend	<b>1.24</b>	1.24
Cash flow	<b>5.92</b>	4.59

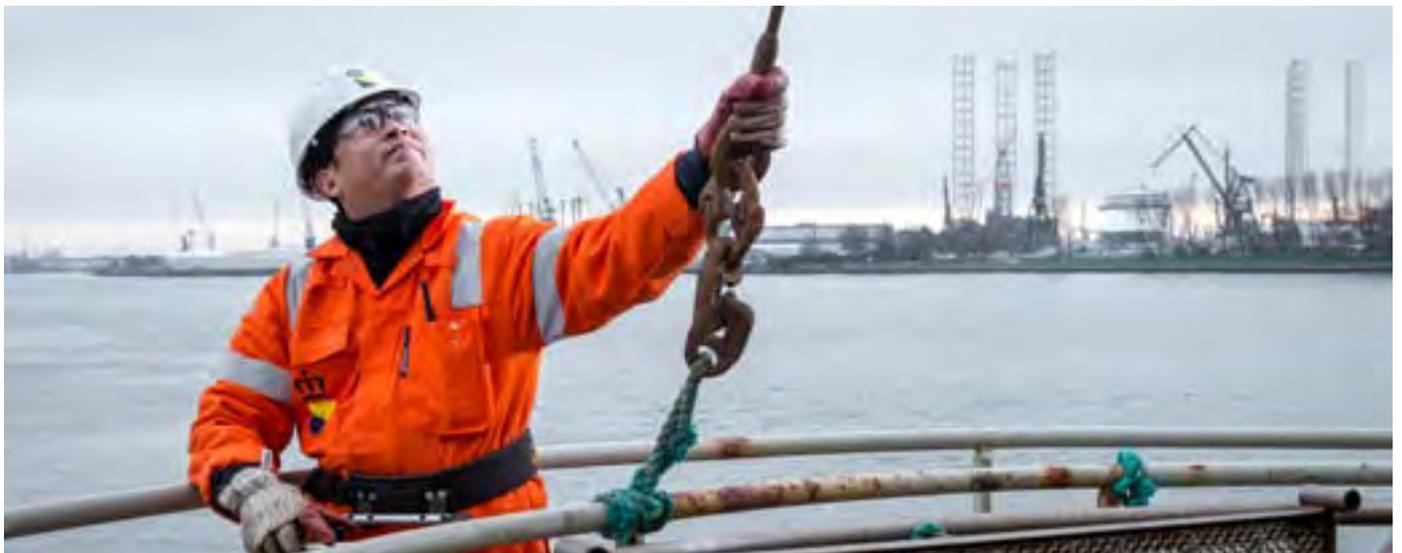
\* Half of the usual investment was sufficient due to less activity in the transition year 2013.

# CORPORATE GOVERNANCE

## GOVERNANCE AND REPORTING

Boskalis operates a two-tier board model, which means that management and supervision are segregated. The Board of Management is responsible for the day-to-day management of the business, and for setting out and realizing the company's long-term strategy, along with the associated risks, the result and entrepreneurial aspects relevant to the business. The Board of Management is responsible for establishing the company's objectives, implementing its business policies and for the resulting performance. The Board of Management is accountable to the Supervisory Board and the General Meeting of Shareholders. In performing its tasks, the Board of Management is guided by the interests of the company and its activities, and takes into account any relevant interests of stakeholders involved with the company. The Supervisory Board is responsible for supervising management performance and advising the Board of Management. At Boskalis, there is close collaboration between the Supervisory Board and its committees, the Board of Management and the stakeholders. The Board of Management and the Supervisory Board, pursuant to their own specific duties, are jointly responsible for looking after the interests of our stakeholders; during their course of their work, they focus on the societal implications of entrepreneurship that are relevant for the company.

The Board of Management is responsible for the company's CSR policy. This is also expressed in the remuneration policy, which includes the safety policy and staff development components of CRS in the remuneration of the members of the Board of Management. For more information, please refer to the Remuneration Report on our corporate website: [www.boskalis.com](http://www.boskalis.com).



The Board of Management seeks advice and information from the following task forces and officers. Two task forces advise the Board of Management about environmental performance: the Energy Management Task Force and the Eco-Engineering Task Force. In addition, the matter of safety has absolute priority in our organization. The Board of Management is closely involved in this topic, and it seeks advice and information from the SHE-Q department. With regard to the HR and society-related objectives, the Board of Management seeks advice from the HR director and the director of IR & Corporate Communications respectively. For chain-related matters, the Board of Management seeks advice from the heads of the business units and relevant staff departments.

The corporate strategy and the outcome of both the dialogues with our stakeholders and the benchmark monitoring are included in the annual review of the CSR policy, the outcome of which determines our strategic priorities and objectives. The outcome also determines which topics are of material importance and which performance indicators are relevant for inclusion in our CSR Report. The report is subject to approval by the Board of Management of Boskalis and its contents are discussed in their entirety with the Supervisory Board.

## GENERAL BUSINESS PRINCIPLES

Our Statement of General Business Principles governs our social, societal, environmental and economic responsibilities. Boskalis accepts responsibility for matters within its sphere of influence. National legislation and regulations apply in the countries where Boskalis operates. Boskalis refrains from cultural judgements and acts as a good citizen or guest. Boskalis does not engage in business in countries subject to international, or relevant national, embargoes. We respect human rights as set out in the United Nations Universal Declaration of Human Rights. We do not accept, pay or request bribes or other favors for the purpose of acquiring or bestowing any improper business, financial or personal advantage. Furthermore, we respect intellectual property rights and abide by the principles of fair competition by complying with relevant competition laws. Anyone who approaches us regarding compliance with our General Business Principles can expect an open response. All genuine requests, suggestions and complaints will be taken seriously. The full text of our Statement of General Business Principles can be downloaded from our corporate website: [www.boskalis.com/csr](http://www.boskalis.com/csr).

## INTEGRITY

We provide our staff with targeted information about regulation and legislation with regard to bribery and corruption such as those enshrined in the UK Bribery Act.

The courts in Mauritius fined Boskalis in 2013 after payments were made to a civil servant. The unauthorized payments were made in the context of a project awarded in 2006. Boskalis cooperated with the investigation and took internal disciplinary measures pursuant to this incident. Furthermore, Boskalis makes periodical assessments of its code of conduct, which has been made stricter, partly in response to this incident.

Boskalis also has a whistleblower protocol that applies to Boskalis employees reporting alleged misconduct in the company. The term "alleged misconduct" refers to any area of a general, financial, operational or personal nature that is not in conformity with the Boskalis Code of Conduct. A confidential contact person has been appointed for the purposes of the whistleblower protocol. The confidential contact person will immediately initiate the relevant procedures when a report is made and decide which actions are appropriate and necessary. The employee reporting misconduct covered by the whistleblower protocol will not suffer any legal consequences as a result. The whistleblower protocol can be found on the corporate website [www.boskalis.com](http://www.boskalis.com).

For a detailed description of our risk management, our corporate governance policy, our legal structure and our organization, please refer to pages 48-52, 54-55, 115-118 and 134-137 of our Annual Report 2013 and our corporate website [www.boskalis.com](http://www.boskalis.com).

## CERTIFICATION

Certification shows that we comply with internationally recognized management, environmental and safety standards. Virtually all Boskalis business units are certified according to ISM, ISO 9001, ISO 14001 and OHSAS 18001 or VCA for our Dutch companies. For a list of the various certificates we hold, please refer to the appendix of this report.

## BENCHMARK

Boskalis performance in terms of sustainability is monitored and benchmarked by a range of bodies which include:

- Transparency Benchmark (for Dutch clients and NGOs)
- CDP (Carbon Disclosure Project, organized on the investor side)
- CO<sub>2</sub> performance ladder (the Dutch government in its role as principal commissioning authority)
- VBDO Responsible Supply Chain Benchmark (report by VBDO, the Dutch Association of Investors for Sustainable Development)

There is growing interest in our company in other benchmark surveys. Some of these use the Global Industry Classification Standard (GICS), in which Boskalis is classified as a Construction & Engineering Company. This results in some difficult dilemmas. For example, there is no significant use of wood as a resource by our company, even though this is classified by GICS as an important KPI in this segment. In consultation with the analysts, we are continuing to point out the unique nature of our business.

The outcome of both the dialogues with our stakeholders and the benchmarks are taken into account in our annual review of our CSR policy and CSR reporting.

# OUR STAKEHOLDERS

Entering into dialogue with our stakeholders allows us to establish a clear picture of their information requirements and interests, and to foster mutual awareness and understanding.

## SELECTION

We count as our stakeholders those groups and individuals significantly impacted by our activities or that can impact our organizational strategy. This has resulted in the selection of stakeholders in the chart in this section.

## DIALOGUE AND IMPACT

The dialogue with our stakeholders about our mutual needs and interests is one of the cornerstones of our CSR policy. We opt for a combination of formal and informal dialogue, with varying frequency.

## STAKEHOLDER DIALOGUE CHART

STAKEHOLDER	DIALOGUE IN 2013 THROUGH
Employees	See pages 26 and 31 of this report
Clients	See page 18 of this report
Investors and shareholders	See page 57 of this report as well as the Shareholder Information section on pages 16-17 of our Annual Report 2013
Suppliers	See pages 16-21 of this report
Educational and knowledge institutes	See pages 30, 41, 46 and 50 of this report
Local communities	See page 51 of this report
Industry and society associations	See pages 16-17 and 42-45 of this report
Interested parties	Interested parties can use the special contact option on our website to give us their comments on CSR matters.

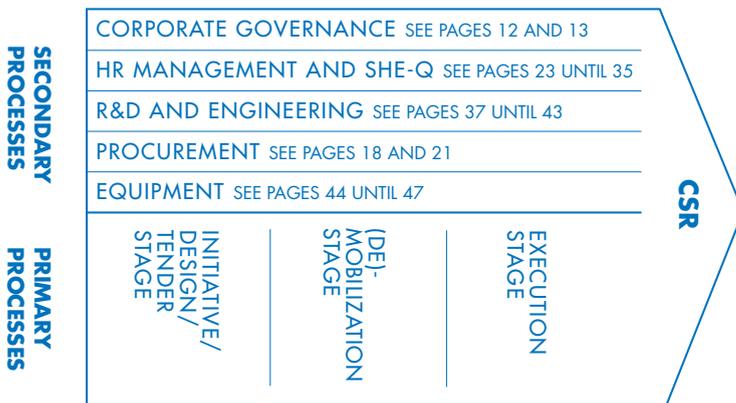


# OUR VALUE CHAIN

We pool our resources with partners in the chain so that we can use broad, sustainable solutions to generate more value in the chain.

## IMPACT IN THE CHAIN

We use Porter's value chain to indicate which part of the chain we have control over and where we have material impact. Our most important chain partners are clients and suppliers. In our primary processes we distinguish three stages, each of which has a different impact on people, the environment and society in general.



### INITIATIVE/DESIGN/TENDER STAGE

At this stage we can influence our impact on people, the environment and society in general through our Dredging, Offshore Energy, Towage and Salvage activities. Bringing us in on a project at an early stage enables us to work with the client to create a design that is as sustainable as possible and select the working methods best suited to the environmental requirements. For our Dredging and Offshore Energy activities we also bring our eco-engineering expertise into play to ensure the best possible fit of maritime infrastructure with natural environment. We devote a great deal of attention to safe working conditions. In addition we seek to ensure that our maritime activities cause as little inconvenience as possible to shipping traffic and the fishing industry.

### EXECUTION STAGE

Our impact on people, the environment and society is greatest during this stage. It is here where it is all about safe working conditions and keeping an eye on the wellbeing of our own staff and the people working with us. At our Dredging operations we devote a great deal of attention to managing the environment. Where possible we make a positive contribution to the local community by creating jobs or sourcing products and services

locally. Our wreck clearance, salvage and rescue work contributes towards people's safety as well as a cleaner environment.

### MOBILIZATION/DEMobilIZATION STAGE

The equipment we deploy on our projects sometimes has to be mobilized over great distances, for example from Europe to South America, and then demobilized again after completion of the project. Our logistical operation is aimed at doing this as safely and efficiently as possible. This allows us to reduce fuel consumption and the associated burden on the environment, as well as saving costs. The worldwide operational practices of Boskalis have as a consequence transits through high risk areas like the Gulf of Aden and the Indian Ocean. The vessels of Dockwise in particular are extremely vulnerable to piracy, due to their semi-submersible design and accompanying features. They provide relative easy access to pirates. In order to protect the Dockwise crew, cargo and vessels when transiting through high risk areas, the Dockwise management decided in 2011 to include armed protection as an additional anti-piracy protection measure. Measures consist of, among others, armament and the deployment of highly trained Vessel Protection Detachments (VPDs) onboard the vessels. In 2013 Dockwise had twenty voyages through high risk areas assisted by VPDs (armed marines of the Royal Dutch Navy).

Our terminal and towage services tend to be of a local and ongoing nature. This means that mobilization of equipment applies only at the start of a contract; after that our staff and the equipment stay on location for comparatively long periods of time.

The impact of our secondary processes on the chain is described in the following sections.

### RISKS AND OPPORTUNITIES IN THE CHAIN

Effective management of both risks and opportunities is essential to the successful implementation of our strategy. We have taken measures to ensure that risks and opportunities are identified, quantified and monitored, particularly in relation to the preparation and execution of projects. For an overview of the principal strategic and operational risks please refer to pages 48-52 of our Annual Report 2013. The risks and opportunities of the social and environmental aspects of our chain can be found on our corporate website [www.boskalis.com](http://www.boskalis.com).

# INDUSTRY LEADER IN RESPONSIBLE SHIP DISMANTLING

When Boskalis decommissions ships it is standard practice to see to it that they are dismantled both responsibly and safely. Even on the other side of the world. A hard surface, certification of the yard and the responsible disposal of the waste are preconditions. This puts us ahead of existing legislation and regulations. In 2013, the NGO Shipbreaking Platform recognized us as an industry leader in this field.

We operate worldwide. Sometimes the ships we are asked to dismantle are on the other side of the globe. We have a clear policy with regard to responsible ship dismantling which we implement in consultation with the North Sea Foundation, a member of the NGO Shipbreaking Platform.

When we decide the time has come for us to say goodbye to a ship our preferred option is to look for a yard in the region where the ship is located. Our ships are dismantled only at yards that comply with international legislation and regulations and with our own strict safety standards. The ships must also be dismantled on a hard surface or in dry dock to minimize the risk of pollution and environmental damage.

## KNOWLEDGE SHARING

In 2013, the Para and the Mercurius, two non-self-propelling ships, were ready for dismantling. Both were on the west coast of Mexico. We have contact with yards on the east coast of Mexico that meet all the requirements, but there are still no yards of this kind on the Pacific Coast. Fleet manager Arjan Schrijen tells the story: "To get the Para and the Mercurius round to the other side you would either have to tow them or use transport vessels to get them through the Panama Canal, which is very costly, and also generates extra carbon emissions."

"In 2013 we found a yard on the west coast of Mexico that does not yet meet all of our standards but is prepared to invest with us in an upgrade. The yard, which belongs to a shipbuilder, has an excavated dock, so that ship dismantling of these relatively small vessels can take place on dry land. Our local environmental specialist has carried out an inspection and the yard has been audited by classification society Germanischer Lloyd. We are prepared to invest in the yard, for example by

De snijkopzuiger Mercurius



sharing our knowledge and assisting and facilitating them in the process."

### CONTROLLED DISMANTLING

"Boskalis will always ensure that inspections are carried out by our own people or with our supervision to ensure that our ships really are dismantled according to the terms of the contract. We believe this to be the best way from both an economic and an environmental point of view. We believe it is very important for the process to be both responsible and transparent," explains Arjan Schrijen. "In addition to the usual Health & Safety appraisal, an independent body will monitor waste disposal, environmental issues and ship dismantling. When possible, we will recycle ship parts. We will overhaul the density meters from the Para and the Mercurius for use by our fleet. Cast-iron components will be recycled at foundries in Europe in accordance with our assured recycling procedures."

"In consultation with the North Sea Foundation, we are making preparations with the yard for the dismantling of the Para and the Mercurius. This pilot project will show whether this yard can be used in the future for ships located on the Pacific side." Merijn Hougee of the North Sea Foundation: "Boskalis sets an example for the maritime sector by keeping ahead of the regulations for ship recycling. The management clearly places a strong emphasis on 'people' and 'planet' when selecting shipyards for dismantling.

We appreciate the transparent communication and we look forward to an ongoing dialogue with the aim of further optimizing the recycling process from the environmental perspective."

### ISRA

We also dismantled our fallpipe vessel the Sandpiper in 2013. This was done in Turkey at a yard certified by ISRA (the International Ship Recycling Association). Once again, the guiding principles of the policy were applied clearly. Winches were used to pull the ship over the soft surface to the hard surface of a concrete dry dock, where the actual dismantling work took place. ISRA approved the method used, including the waste management.

### ASSURED PROCESS

Every ship we dismantle has an IHM (Inventory of Hazardous Materials). It is standard practice for the yard to issue an IHM for a new ship. We have our own qualified specialists who compile the IHM for older ships. A classification society then approves and certifies the IHM. This assured process sets us aside from other shipping companies. The IHM is a requirement under the 2009 Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships. This legislation has still not been officially adopted but Boskalis has been in compliance with it for years.

# DIALOGUE AND COOPERATION IN THE CHAIN

## OUR CLIENTS

Our main clients are oil, gas and electricity companies, port operators, governments, shipping companies, international project developers, insurance companies and mining firms.

Boskalis concentrates on two market segments which demonstrate structural long-term growth: Energy and Ports. Within these two market segments we concentrate on seven geographic regions: North-West Europe, East and West Africa, Middle East, Southeast Asia, Australia, Brazil and the Gulf of Mexico.

For an update on the latest market developments, please refer to the 'Strategy' and 'Report of the Board of Management' sections on pages 1-14 and 31-57 of our Annual Report 2013.

## DIALOGUE AND COOPERATION IN THE CHAIN

A growing group of clients are asking us to act as contract partner from the (pre-)design stage right through to complete execution. This allows us to use our engineering and environmental expertise to the full. In all cases we draw attention to our eco-engineering expertise. In addition the majority of our clients embrace our *NINA* safety program.

## OUR SUPPLIERS

Boskalis maintains relationships with around 1,200 suppliers for the central procurement of machinery and hydraulics, electro & survey, wearing and construction parts, and facility goods and consumables. Over half (around 55%) are Dutch companies, 15% are European and 30% are based outside Europe. Around 200 of them are regarded as strategic suppliers who account for 90% of the Central Procurement department's purchasing volume.

## SUPPLIER CODE OF CONDUCT

Boskalis wants to do business with parties who act responsibly and with integrity. We aim to form long-term relationships. All buyers conform to the latest NEVI Code of Conduct. In addition to quality, delivery reliability and price, we also take sustainability criteria into account when selecting our suppliers. This is the responsibility of the Procurement & Logistics manager, who reports to a member of the Board of Management.

We are the first in our sector to work with a Supplier Code of Conduct, adapted from Boskalis' own Statement of General Business Principles. The Supplier Code of Conduct contains selection criteria for sustainable procurement, for example relating to prevention of bribery and corruption, human rights, child labor, working conditions, care for the environment and safety. In 2013 we were able to declare our Supplier Code of Conduct to be applicable to the majority of our strategic suppliers (76% of purchasing volume). These suppliers have signed our framework contract of which the code forms an integral part. This compares with 68% in 2012. By signing the contract our suppliers declare the Code of Conduct to also be applicable to their own suppliers, who are registered accordingly in the Boskalis systems. The Supplier Code of Conduct and our General Purchasing Terms and Conditions can be downloaded from our website at [www.boskalis.com/stakeholders](http://www.boskalis.com/stakeholders).

## TRAINING COURSE FOR BUYERS

In late 2013, all our buyers from the Central Procurement department followed a Socially Responsible Procurement course. This included topics such as ethics, institutes, measuring methods and certification, with a special focus on Boskalis objectives and measuring methods. In addition they learned more about the application of CSR to the job of buyer, about assurance, our supplier evaluation and the performance of implementation scans. They also discussed how they can work with our suppliers to develop initiatives for a sustainable chain.

## 2013 IMPLEMENTATION SCAN

An independent consultancy conducts an annual assessment of the implementation of the selection criteria in the Code of Conduct by our suppliers. These implementation scans are performed on the basis of the Socially Responsible Procurement monitoring method of the Chartered Institute of Purchasing and Supply. This is a two-way process. We appreciate feedback from our suppliers and we learn from them. The objective is to work together to create and further expand a sustainable value chain. Our suppliers believe this approach is positive.

Together with the consultant we compiled a questionnaire for the sessions, with questions covering the following categories: Society

(including human rights), Environment, Employees, Quality, Clients and Suppliers. A risk matrix is used to demonstrate the risk level of the various suppliers in terms of CSR and the extent to which this may impact Boskalis business operations or the Boskalis image. We will sever ties with suppliers who are in the segment with a significant risk and significant impact. Suppliers in the segment with a high risk and high impact are given a chance to improve in dialogue with us. If we see insufficient or no progress, we will also sever ties with these suppliers.

The scan was first performed in 2012 in a random sample of twenty Dutch and Belgian parties. The random sample was extended in 2013 to include European suppliers from Hungary, Norway, Denmark, Finland and Germany who make up a representative cross-section of our strategic suppliers. The scan included, for example, a supplier of large steel structures for the dragheads of our hopper dredgers in Hungary, a producer of ship engines in Germany and a paint producer in Denmark.

The 2013 scan also looked at four suppliers who performed poorly in 2012. Three of them had improved their results. We are considering the termination of our relationship with the supplier whose results are still below standard.

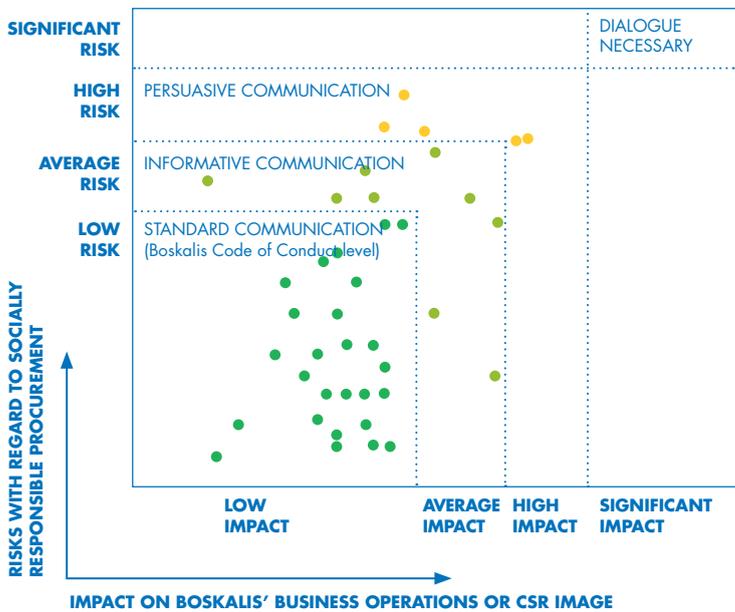
cradle-to-cradle chain for worn-out impellers and dredging pumps (read more on pages 16 and 17 of our 2012 CSR report). Since the launch of this process, over 2.5 million kilograms of scrap metal have been returned and recycled.

Other initiatives arising from the sessions relate to the use of cleaner fuels on our equipment. For example, we launched a study in late 2013 into whether GTL can be used successfully on one of our tugboats. We have also teamed up with SkyNRG for a pilot involving the use of biodiesel on a number of our Dutch trucks (see also the theme text on pages 20-21).

We will organize a new round of Meet the Buyer sessions in 2014.

**MVIO**

Boskalis is the first maritime service provider to sign the NEVI Manifesto for Sustainable Procurement and Corporate Responsibility (MVIO). By signing this manifesto, Chief Procurement Officers of private and public organizations formalize their efforts to anchor sustainable chain management. They also hope that this will inspire other companies and their suppliers.



**MEET THE BUYER SESSIONS**

We exchange ideas with suppliers and pool innovations. In 2011 we launched our Meet the Buyer sessions. These have resulted in chain initiatives to work together towards greater sustainability. For example with Beelen Group, with whom we have established an assured process for the recycling of old dredging pipes. And with Royal Van Voorden Castings, with whom we have set up a



# GREATER SUSTAINABILITY IN THE CHAIN

The Meet the Buyer sessions organized two years ago with sixteen of our strategic suppliers have led to concrete chain initiatives in the area of cleaner fuels. We work with our suppliers on ongoing research into the technical feasibility of using cleaner and more efficient fuels on our equipment. Boskalis makes targeted investments in this research and shares experiences with our clients to extend economic applicability.

## DILEMMA

The use of environmentally friendly fuels tends to produce particularly good results in steady-state conditions. This presents an immediate dilemma for Boskalis: most of our equipment is not involved in processes of this kind: irregular fluctuations in load and substantial peak loads are inherent to our work. This makes research into the technical applicability of these fuels imperative.

Where environmentally friendly fuels are more costly than fossil fuels economic feasibility also comes into play. Once client appreciation of better environmental performance translates into acceptance of these costs, environmentally friendly options become economically viable as well. That is why we are keen to share the knowledge we glean from our tests with clients.

In regions where there is less client appreciation in this area we follow international legislation and regulations in addition to our own policy as set out in our ISO 14001 management program. Our research program allows us to switch to environmentally friendly fuels as soon as international legislation and regulations demand it.

## GTL PILOT

A pilot project was launched with Shell GTL Fuel in 2012. For nine months GTL was used to power an excavator on the Dutch public works department's A4 motorway project. GTL (gas-to-liquids) is a liquid fuel made by converting natural gas into synthetic diesel. The fuel drastically reduces emissions of nitrogen oxide, sulfur oxide, fine dust particles and black smoke by comparison with regular diesel. "This is the ultimate in chain thinking," says Procurement & Logistics manager Joost Rijnsdorp.



“Caterpillar, which supplied the excavator, provided the guarantee standards, while Pon Equipment handled their technical implementation. Boskalis made the machine available for the project. Shell supplied the fuel, and the commissioning body, the Dutch department of public works, judged it to be a great initiative.” Boskalis was mainly interested in testing technical feasibility. The pilot project showed that excavator performance matched diesel-powered machines.

“We want to extend the application of GTL. In 2013 we became the first shipping company to use this fuel in the propulsion system of a tug, the SMIT Elbe, which operates in the port of Rotterdam. The pilot project will allow us to acquire on-board experience with this clean fuel and to assess emission reductions. We expect to achieve a sizeable reduction in emissions without modifying the engines. This could help to achieve the Port of Rotterdam’s emission reduction targets.” The pilot project was launched in late 2013 and will last just under a year.

### **BIODIESEL PILOT STUDY**

The partnership with KLM Royal Dutch Airlines and SkyNRG is another initiative resulting from a Meet the Buyer session. Boskalis employees clock up a large number of flight hours traveling to

offices and projects in other countries. KLM is our preferred carrier and so the link to this chain initiative was swiftly made. SkyNRG wants to give a major boost to the production and availability of biofuels for the aviation industry. The challenge for SkyNRG is that the economic feasibility of the sustainable fuel, which is sourced from 30% used cooking oil and blended with 70% conventional diesel, depends entirely on adequate sales. KLM uses only a small part of the available volume, which is why SkyNRG is looking to broaden the market so biofuels can compete with traditional fuels. Joost Rijnsdorp: “In our relationship with KLM, we could also have opted to offset our environmental impact but we prefer to engage in a structural solution. We have agreed to conduct a pilot with a number of our trucks for about a year. This will entail purchasing 250,000 liters of biofuel. This study will also concentrate mainly on the technical performance of the equipment. If the pilot proves successful, it may be rolled out on one of our ships.”

SkyNRG CEO Dirk Kronemeijer explains: “Boskalis is backing our efforts to boost our track record with this sustainable diesel fuel. By expanding our know-how and establishing more critical mass, we will be better able to realize our objective and compete head-on with fossil fuels in terms of pricing.”



# OUR SOCIAL PERFORMANCE

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**24**      **POLICY AND OBJECTIVES**

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**25**      **SAFETY**

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AND WELL-BEING**

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**32**      **STAFF PROFILE**

# POLICY AND OBJECTIVES

Our activities have a relatively high risk profile. The safety of our own employees and of our subcontractors is one of our core values and it has top priority. Our central safety objective is No Injuries, No Accidents (*NINA*).

Our industry is capital- and knowledge-intensive and requires well-qualified and experienced professionals. They are essential to performing our work effectively and help us to maintain our leading market position.

Boskalis is permanently in motion. We are not just growing in size but in breadth as well, expanding our range of services all the time. Given this, investing in the development and skills of our employees is one of the cornerstones of our corporate strategy.

We also strive actively to create an organizational culture that promotes motivation, job satisfaction and involvement. A good CSR reputation also has a positive effect on our ability to recruit and retain staff.

We maintain good relationships with a range of research institutes to ensure we can continue to count on enough talented and qualified staff in the future. As well as attending the relevant trade fairs we are also increasingly upgrading our online presence and our social media profile.

Human Resources (HR) is directly accountable to the chairman of the Board of Management, who delegates policy-based and operational duties to the HR Director.



# SAFETY

Our central safety objective is No Injuries, No Accidents (*NINA*). This is also the name of our progressive safety program, which is generating a great deal of positive interest from both inside and outside the industry and amongst our clients. *NINA* is not just about procedures, it fosters ownership and creates a safety-driven mindset. The program holds all employees personally responsible for their own contribution to safety and ensures that safety can be discussed openly. Five short and clearly worded values with five supporting rules provide the framework designed to help prevent incidents.

Safety awareness is also high at Dockwise. The Dockwise safety report has been included in a separate section in this chapter. We aim to integrate the Dockwise SHE-Q policy in 2014 and to start on the roll-out of *NINA*.

## NINA GOES OFFSHORE

In line with the ambition expressed in 2012 the main focus in 2013 was to introduce *NINA* at Boskalis Offshore, which combines various Boskalis and SMIT units. The launch of the *NINA* goes offshore campaign in May 2013 made it clear that Boskalis Offshore will also embrace the *NINA* approach from now on. To prepare for the introduction of *NINA* in 2013 talks on safety were held with members of the Boskalis Offshore middle management, who play a major part in day-to-day decision-making. This was followed by the launch of the training program. After the 50 most senior managers had completed a course the Board of Management gave the kick-off for courses to be given to all members of the corporate staff departments and middle management. Training has been given at head office, on board of the ships and in the office organizations in other countries. Thanks to the introduction of *NINA* Boskalis can now also present itself as a safe and reliable partner for offshore oil and gas market clients. In 2013 this already proved to be a significant factor in the Dabrat project for Maersk Oil. All Subsea staff – around 80 – on two of the largest Diving Support Vessels were given an

The graphic is titled "NINA NO INJURIES NO ACCIDENTS" and "SAFETY STATEMENT". It lists five values and five rules. The values are: 1. I AM RESPONSIBLE FOR MY OWN SAFETY, 2. I APPROACH OTHERS ABOUT WORKING SAFELY, 3. I TAKE ACTION IN CASE OF UNSAFE OPERATIONS IF NECESSARY, I WILL STOP THE WORK, 4. I ACCEPT FEEDBACK ABOUT MY SAFETY BEHAVIOUR REGARDLESS OF RANK AND POSITION, 5. I REPORT ALL INCIDENTS, INCLUDING NEAR-MISSES, TO INFORM OTHERS AND BUILD ON LESSONS LEARNED. The rules are: 1. PREPARE A RISK ASSESSMENT FOR EACH PROJECT, VESSEL OR LOCATION, 2. OBTAIN A PERMIT TO WORK FOR DEFINED HIGH-RISK ACTIVITIES, 3. MAKE A JOB HAZARD ANALYSIS FOR HAZARDOUS NON-ROUTINE ACTIVITIES, 4. BE INFORMED ABOUT RISK & CONTROL MEASURES, 5. BE FIT FOR DUTY AND WEAR THE PPE REQUIRED. The graphic also includes the website www.boskalis-nina.com and the Boskalis logo.

introduction and special training course. This approach was much appreciated by the client.

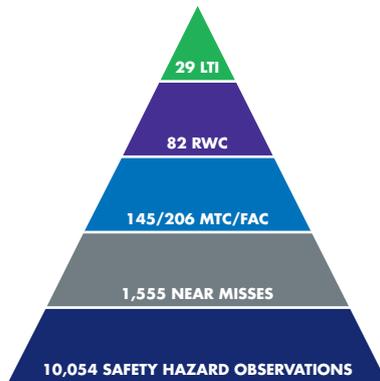
## NINA WORKS

The figures are convincing: *NINA* works. Since its introduction the LTIF figure has fallen by over 80% (from 0.67 to 0.11). The Lost Time Injury Frequency (LTIF) figure expresses the number of incidents per 200,000 hours worked resulting in absence from work. Prevention is an important part of safety awareness. 2011 saw the wider introduction of Safety Hazard Observation Cards (SHOCs), which employees can use to report dangerous situations. The number of SHOC reports was 10,054 in 2013 (2012: 3,800). In addition 1,555 near misses were reported (2012: 210).

We see SHOC and near misses reporting as a benchmark for the proactive safety experience within the organization. *NINA* encourages reporting on such situations to allow us to make proactive adjustments.

Despite both the relatively high risk profile associated with our activities and the recent growth of our company the LTIF figure fell from 0.26 in 2012 to 0.11 in 2013.

#### INCIDENT REPORTS BOSKALIS, EXCLUDING DOCKWISE



LTI = Lost Time Injury

MTC = Medical Treatment Case

RWC = Restricted Workday Case

FAC = First Aid Case

#### INCIDENTS REPORTED

In line with our industry, the list of the most common incidents is headed by tripping, falling and slipping. The number of entrapment incidents, particularly involving hands and fingers, is also relatively high.

Here again, we have seen the accident frequency fall since the introduction of *NINA*, and the incidents are also less severe. In other words, there are fewer serious accidents resulting in injuries.

The number of reported incidents is increasing, particularly the number of pro-active reports of near misses and safety hazards (SHOCs). This means that awareness is growing, that everyone knows how to use the SIRE reporting system, and that everyone understands that reporting is important. Because this is the only way of sharing information to avoid repetition in the future.

The chart above shows that the number of incident reports, starting with the SHOCs and ending with LTIs, is increasingly pyramid-shaped.

#### EMPLOYEE INVOLVEMENT AND TRAINING

We involve management and employees in our organization's safety thinking in all sorts of different ways. All management team meetings devote extensive attention to the progress and challenges relating to *NINA*. The Works Council has a Safety, Health and Environment committee which discusses *NINA* at every meeting. Our interactive *NINA* training courses and workshops provide employees with an opportunity to give their feedback on the program and share their experiences. We use a wide range of Lessons Learned sessions, training courses and communication channels to keep attention focused on improving safety. Our employees can use [boskalis.com/nina](http://boskalis.com/nina) and the monthly '*NINA* at

work' bulletins as a platform for sharing their experiences and making suggestions for improvement.

Safety communications also comprise regular internal safety bulletins such as Safety Matters and Safety Newsflash as well as the various staff magazines.

Our projects always kick off with a *NINA* start-up meeting. This involves setting project-specific safety targets in consultation with the project team and discussing potential safety risks, how we intend to deal with them and how to keep *NINA* on the agenda. Where necessary, we also focus on the project environment and how we can ensure the safety of local residents and third parties. Not only our own employees but, in many cases, clients' representatives and subcontractors also attend these meetings.

In 2013 we introduced *NINA* reflection sessions at which managers of projects and ships and members of the corporate staff and executive team shared experiences in open and interactive gatherings. The purpose is to learn from each other by looking not only at positive experiences and ideas but also the challenges.

#### AUDITS

In 2013 we conducted 19 external and 23 corporate SHE-Q audits of project and office organizations and 50 external and 31 internal ISM vessel audits in which *NINA* is always a feature. In addition, clients perform office and project audits in the business units.

#### AWARDS

In 2013 Boskalis received a range of safety awards:

- Boskalis International received a Certificate of Achievement on the Total Mining Contract in Surinam for working 1 million man-hours without a recordable incident.
- The Royal Society for the Prevention of Accidents granted both SMIT UK and Boskalis Westminster Limited the 2013 Gold Award 2013 for Occupational Health & Safety.
- The Ichthys project in Australia received Recognition Letters from Saipem for the professional and highly pro-active HSE approach for the rock transportation and geotechnical survey on the project.
- The Baldur crew received the INPEX Safety Recognition Award for their high safety standards and their unremitting pursuit of safety excellence.

#### CERTIFICATION

Certification is proof of our compliance with recognized safety standards. Almost all Boskalis business units are certified according to ISM, ISO 9001, ISO 14001 and OHSAS 18001, or VCA for our Dutch operations. For a list of the various certificates we hold, please refer to the appendix.

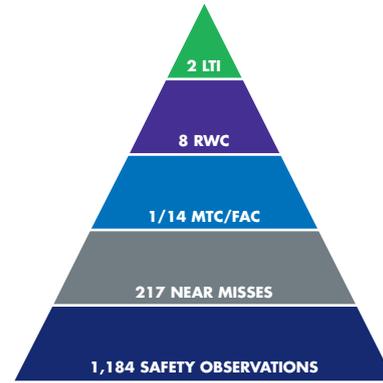
## DOCKWISE

Dockwise performance in the field of health and safety is assessed by, among other things, the type and number of incidents reported. These reports can relate to vessels, projects or the office environment. The aim of the policy remains the complete prevention of safety or security incidents (target: zero Lost Time Incidents).

### OVERVIEW 2013

- Due to the integration of the Fairstar figures, the overall exposure hours increased from 5.3 million to 6.5 million hours. In addition, the Dockwise Vanguard went into service. The number of hours also increased in the onshore/offshore projects due to the execution phase of 2 float-over projects, including a large number of sub-contractor hours.
- The number of Lost Time Incidents (LTI) fell sharply for Dockwise from 5 to 2.
- The LTIF at the end of the year was an "all-time low": 0.06 overall. This is supported by the low number of LTIs and the increased exposure hours.
- The most common incidents were: eye injuries, tripping, falling and slipping.
- Leading indicators are important to monitor the pro-activeness of the organization. The increase in the number of STOP (Safety Training Observation Program) and the reported near misses reflect a positive picture of safety awareness.

### INCIDENT REPORTING DOCKWISE



LTI = Lost Time Injury

RWC = Restricted Workday Case

MTC = Medical Treatment Case

FAC = First Aid Case

### SAFETY TRAINING

The training matrix sets out a minimum level for all positions at Dockwise in terms of critical HSES activities (health, safety, environment and security), specific function competences, general project requirements and project-specific requirements for specific functions. As a result of the training and motivating of staff in the field of safety, we expect staff and crew to be more pro-active in their safety conduct, and for this improvement to result in turn in better safety performance.



# DEVELOPMENT AND WELL-BEING

## DEVELOPMENT

Boskalis helps employees to master new skills or to work on their personal development so that they can develop in line with our company.

Our activities in the offshore sector have expanded considerably as a result of the SMIT and Dockwise acquisitions. This also opens up abundant career perspectives for our staff: they can, for example, make the switch from Dredging to Offshore Energy. Employees have indicated that they are very interested in this. We look at this option in more detail on page 43 of our Annual Report 2013.

As well as being important for the employees themselves and for the quality of our work, training and development are also key factors in the integration process. Managers of various divisions meet in the various joint programs and share knowledge and experience. This creates important new internal networks and fosters cross-pollination between the various business units.



Our HR management system allows us to keep track of the instruction and training our employees have received. In this way we always have a clear picture of where the training level is good and where there are still shortfalls. The system also allows us to monitor our staff's skills profile and whether it is consistent with our strategy. Where areas for development are identified these are communicated to the employees during competency interviews or performance reviews and logged in the system. 45% of staff have annual or six-monthly appraisal reviews. Reviews for other staff are less frequent.

#### **DEVELOPMENT PROGRAMS FOR MANAGEMENT**

We focus unrelentingly on leadership and personal development in the various ranks of our organization. Boskalis is an industry

leader with development programs specifically for management. The emphasis shifts from year to year. In 2013, considerable energy went into the development of our senior managers and project managers, who are required to successfully complete ever more complex contracts.

#### **TRAINING AND INSTRUCTION**

We provide an extensive program of training and instruction courses and work constantly to expand and update them. Our Boskalis Offshore Development Program has expanded to include specific offshore industry modules designed to bring participants up to the right level within a year. A group of nine employees followed this course in 2013. We also worked on a new training matrix for Inland Infra in 2013.



The full program can be found in the special Boskalis training guide, which is available globally.

### **INDUCTION PROGRAM**

New members of staff follow an extensive induction program which also covers our general business principles. The program, updated in 2013 to reflect to our current, broader service offering including the Dockwise activities, gives new employees a clear picture of our company.

### **TRAINEESHIPS**

We also work actively on the internal promotion of homegrown talent. Boskalis offers places to trainees who are given on-the-job training in our company and supported by a mentor. All kinds of relevant aspects are covered. Trainees are introduced to a broad range of our business operations, and they follow training modules to expand their knowledge and develop their personal skills. We coached 19 trainees in 2013. In the same year, a group of young professionals with higher vocational/university level backgrounds from Greece, Portugal and Spain followed a condensed trainee program for the offshore sector for the first time.

### **EDUCATIONAL INSTITUTES**

We maintain close ties with the educational institutes that provide our specialized and management courses. We maintain good relationships with Dutch maritime training institutes in order to interest potential employees in our fields of work, giving guest lectures and offering internships. We make our knowledge available for the development of specific courses in collaboration with technical universities and institutes of higher vocational training. As a member of the Dutch Association of Hydraulic Engineers we are involved in the PhD course in coastal and hydraulic works.

We also maintain regular contacts with international maritime colleges, including those in the Baltic states, Russia and the Philippines.

### **WELL-BEING**

#### **SUSTAINABLE EMPLOYABILITY**

The sustainable employability of staff is an area of concern that we share with the trade unions and the industry in the Netherlands. There are two aspects to this issue for our sector: how to enable people to stay in work for longer now that the retirement age is being pushed back, and what approach to adopt with older employees in physically demanding jobs. In consultation with the Dutch trade unions and sector organizations we agreed in 2013 to draw up a sustainable employability plan.

#### **CULTURE SURVEY**

The addition of SMIT, MNO Vervat and Dockwise is transforming Boskalis from a traditional dredging company into an expert in maritime infrastructure solutions and services. A smooth integration process is not just an organizational feat, it also entails a major cultural aspect to which we are devoting a great deal of attention. We therefore commissioned a culture survey looking at a cross-section of the company. The central question was what connects us to each other and to our clients and other stakeholders. One important finding was that the companies are very similar in terms of culture. We are a client-oriented organization that is keen to help find the best solutions to maritime infrastructure issues. Employees are proud to work for our company and say they want to stay with us in the years to come. There were also areas that merit further development and require additional attention, such as cooperation within the company.



## **HR CONDITIONS**

Our HR conditions and working conditions policy comfortably meet the guidelines of the ILO Maritime Labour Convention for international shipping companies. The same applies to the Dockwise fleet.

Over half of our employees are covered by a CLA, including most of our maritime and project workers. Corporate and operational staff are covered by separate agreements reached in consultation with the Works Council.

We operate various pension plans. Detailed information can be found in the list of 'Defined benefit pension schemes' on pages 99-103 of our Annual Report 2013.

## **EMPLOYEE REPRESENTATION**

Boskalis engages in close and structural consultation with the Works Councils about topical subjects relevant to our employees in accordance with the legislation applicable in the countries where we are based.

In 2013 we devoted a lot of attention to the integration of Dockwise and MNO Vervat. The integration with MNO Vervat is now virtually complete and the integration with Dockwise is well underway. The starting point is a process of due care, with ample preparation and time to get to know each other and each other's business. The Works Councils of both Boskalis and Dockwise have been closely involved throughout the process. The integration will take even clearer shape towards the end of 2014 when the Dockwise office staff move to our head office at Papendrecht. The integration of Dockwise and MNO Vervat has led to a limited number of compulsory redundancies. In the few cases where we had to let employees go we agreed on appropriate individual redundancy packages.

## **PREVENTION OF OCCUPATIONAL DISEASES**

Boskalis operates globally and we have offices and projects all over the world. We have taken a range of preventive measures with the aim of keeping our staff as healthy as possible and preventing disease.

To protect employees against disease while they are abroad a preventive system has been established that includes vaccinations, an anti-malaria policy and an AIDS prevention program.

## **SUPPORT FOR COLLEAGUES IN THE PHILIPPINES**

Typhoon Haiyan, which struck the Philippines in November 2013, also sent shockwaves through Boskalis. The Board of Management decided to provide individual assistance for employees who were directly affected and to offer them direct financial support to alleviate, to some extent, the suffering caused by the destruction. Boskalis appointed a coordinator to supervise the careful execution of the aid program. We will take a closer look at this in the theme text on page 34-35.



# STAFF PROFILE

A balanced staff profile is important to safeguard our ability to count on enough talented and qualified employees, both now and in the future. Our HR management system gives us a clear picture of our employee base and enables us to respond effectively to developments.

## EMPLOYEE BASE

At the end of 2013 the total number of people employed by the group, including our share in partnerships, was 10,977 (2012: 15,653). The decline is primarily attributable to the sale of our 40% stake in Archirodon in mid-2013. Conversely, the staff figures for Dockwise (1,119 at year-end 2013) have been included in the total for the first time this year. Although the total number of employees, adjusted for these effects, is relatively stable, larger fluctuations are visible at a country level. These differences are mainly caused by project activities in countries increasing and then decreasing from year to year. This is exemplified by the fact that a decline can be seen as a result of the conclusion of projects in Nigeria, Mexico, Panama and Suriname, while there has been an increase in Australia and Belgium. The number of staff from the Philippines has also risen as a result of the commissioning of new equipment.

The integration of the Dockwise HR data in our reporting system was not completed in 2013. The detailed analysis below does not therefore include Dockwise.

## CONTRACT TYPE

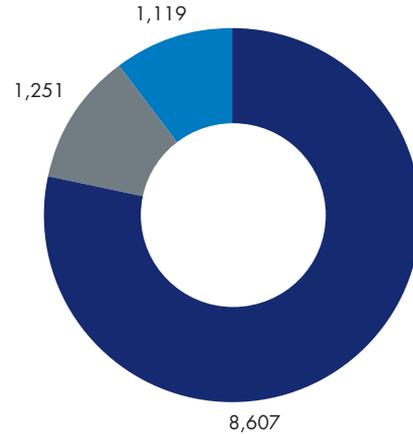
Sixty-five per cent of our workforce have permanent positions; this figure is slightly down on 2012 (68%). This means that Boskalis continues to have a strong base for the continuity of its activities and ensures that knowledge and experience are solidly embedded within the organization. Temporary and project-based contracts allow Boskalis to respond to the dynamics associated with the various markets and the different sizes of projects around the world. Particularly in countries where we have a lot of projects, such as Australia and Brazil, the number of temporary contracts is relatively high (79% and 81% respectively for Dredging in 2013).

## DIVERSITY

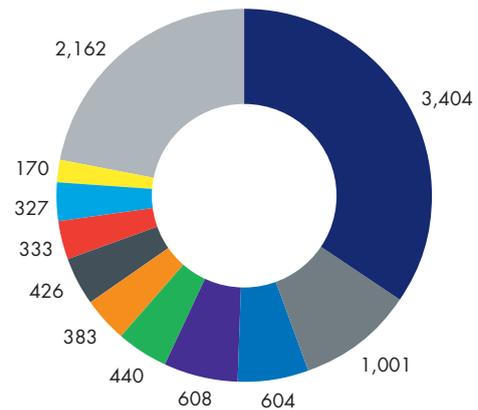
The international character of Boskalis is reflected, for example, in the large number of different nationalities in our workforce. We employ people from 88 countries; many nationalities are concentrated in Europe, South Africa and Singapore. We employ a relatively large number of men and relatively few part-time staff.

The ratios of men to women and of full-time to part-time staff at Boskalis are consistent with the nature of our work. We are to a

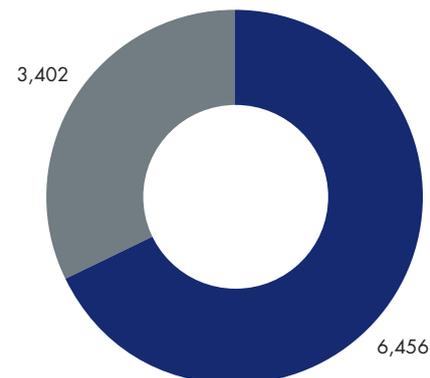
## WORKFORCE INCLUDING OUR SHARE IN ASSOCIATE COMPANIES



## NUMBER OF EMPLOYEES BY COUNTRY



## TYPE OF EMPLOYMENT CONTRACT



large extent a project organization that sends out trained technical, financial and maritime staff all over the world for longer periods of time to projects which tend to be in remote locations. Appointments on the projects have proven to be less appealing for women, and less of a natural option for part-timers. The male-to-female ratio was 92%-8% in 2013; this is in line with 2012. In the case of work for permanent entities of a structural nature, the proportion of women is higher. In 2013 the ratio of men to women for management and office staff working at the Boskalis head office was 75%-25%. The percentage of part-time workers employed by the group in 2013 was 4%.

**AGE PROFILE**

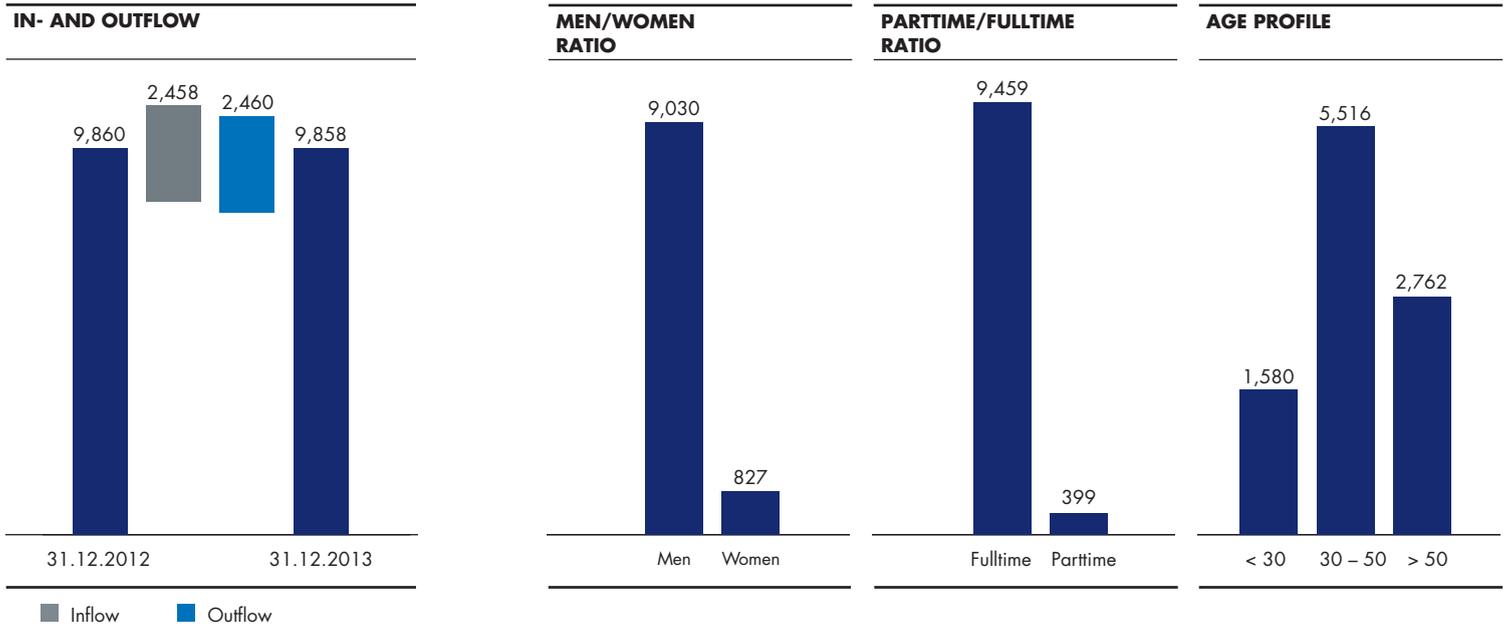
Boskalis has a balanced age profile. Almost three-quarters of our employees are under 50, with over half (55%) in the 30-50 age category. This age distribution provides a good level of staffing for positions at the junior, medior and senior levels, and also results in a manageable outflow of staff due to retirement.

**JOB CATEGORIES**

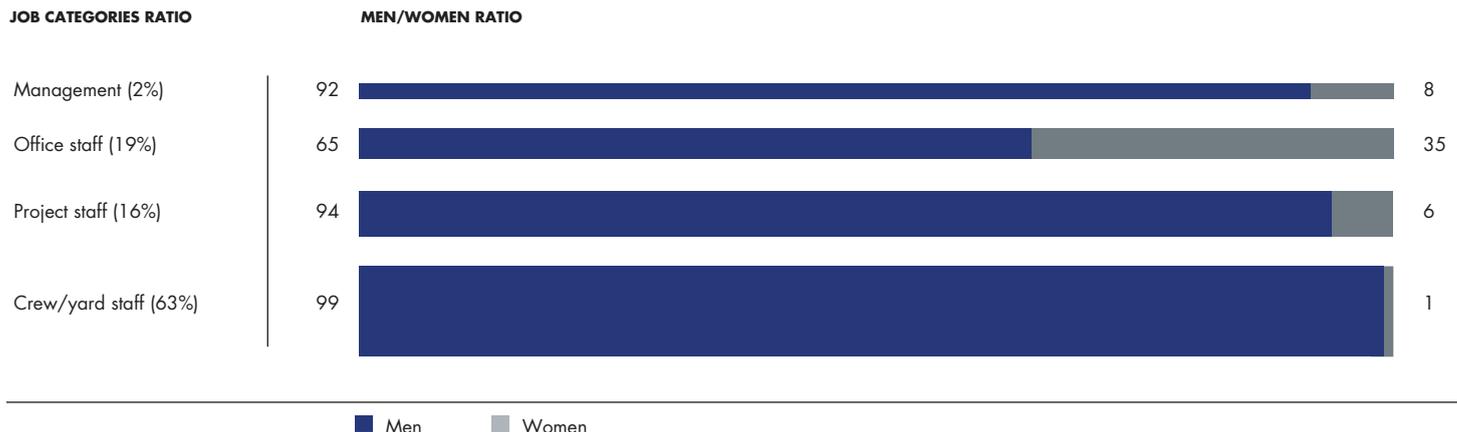
As in previous years the ratio of operational staff (fleet, yards and projects) to management and office support staff remained stable at 79%:21%. This ratio is consistent with the character of the company and the nature of the activities and equipment deployed. As a proportion of total numbers, most managers and support staff work at our head office in the Netherlands.

**STAFF TURNOVER**

We welcomed 2,458 new employees in 2013. Adjusted for the sale of Archirodon, 2,460 employees left Boskalis. The project-based nature of our activities, which sometimes involves several contracts being signed with the same person in the same year, gives the impression of high staff turnover, even though turnover is actually at a very manageable level. Staff turnover figures are significantly lower for activities of a structural and long-term nature.



**JOB CATEGORIES MEN/WOMAN RATIO IN 2013 (IN %)**



# SUPPORT FOR COLLEAGUES AFFECTED BY PHILIPPINE DISASTER

Typhoon Haiyan, which hit the Philippines in November 2013, also sent shockwaves through Boskalis. A great many Philippine employees work on the global fleet operated by Boskalis and its subsidiaries SMIT, Smit Lamnalco and Dockwise. Many of these people have been with the company for many years.

## IMMEDIATE CONTACT

As soon as the effects of the disaster became apparent, we contacted our Philippine employees from the affected area who were on vessels and/or staying in the Philippines at the time. An assessment of the situation showed that around 70 of our 170 employees from the area were directly affected by the disaster. In most cases their homes had been partially or completely destroyed.

## AID

CEO Peter Berdowski: "When Haiyan raged over the archipelago in November it caused considerable concern on dozens of Boskalis vessels. People were on the vessels many miles away from home. They heard the terrible news and tried to ring home immediately. But that was impossible. The resulting uncertainty was a genuine tragedy." When the initial outlines of the disaster started to emerge Boskalis cooperated in every way it could to repatriate the employees as soon as possible. "Our people wanted to go home, to their families. Happily, we now know that there were no casualties among our crews' relatives. Even so, 70 of our employees faced major damage. In the Philippines, whole families often live together under the same roof. In many cases entire homes were obliterated."

Boskalis then looked at the personal damage suffered by each employee and made a sum of USD 252,000 available for the 70 employees affected.

## SOLIDARITY

The Board of Management of Boskalis did not need to think about the gift for long. Peter Berdowski: "This company is founded on the solidarity that is innate to teams working on our fleet. We are proud of that and want to get that across. Everyone really sympathized with these colleagues and so it is only natural that you want to do something. In our view, our gift befits a good employer."

**CRISTOPHER HALLADO**  
**ORANJE, PIPE OPERATOR**

Lives in **ARANAS, BALETE, AKLAN**

"I was actually on leave and was in Manila awaiting my flight home when the typhoon struck. This meant I got stuck in Manila for four days because there were no flights and all the power was down. I was very worried about my wife and sons and couldn't get home. When I eventually got to my village, it was terrible, so much damage and all the electricity was off. Luckily my family could shelter in the house of our relatives.

We have used the money Boskalis gave us to mend the roof and to do other repairs. I also got extended leave so I could get everything in order and stay with my family a bit longer. I just didn't want to leave my family like that. Boskalis' help meant a lot to me and my family. When I left there was still a lot of damage to many houses and the electricity for the village only came on again around three months after the disaster!"

**MARTIN BURERES**  
**TAURUS, 2ND DREDGEMASTER**

Lives in **BO AMAHIT, BARUGO, LEYTE**

"I was at home when this horrible storm hit, I really thought it was my last moment. I will never forget it. I had my 8-month old baby at home and my parents, my mother who is 83 and my father is nearly 89. Luckily my village is 7km from the shore so we at least didn't get the water reaching our house like other people. Many wooden houses were completely destroyed but we were lucky. We only had a lot of damage to the roof and everybody was safe. After a week we still had no electricity and all communications were down and even food was getting scarce. With the money Boskalis gave us we bought an electricity generator and repaired the house; this was really a big help. Some people in my village still didn't have electricity, three months after the storm hit."





# OUR ENVIRONMENTAL PERFORMANCE

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**38**      **POLICY AND OBJECTIVES**

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**39**      **ECO-ENGINEERING**

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**44**      **ENVIRONMENTALLY  
FRIENDLY EQUIPMENT**

# POLICY AND OBJECTIVES

'Environmental excellence' is becoming increasingly important in the sustainable management and development of vulnerable river, delta and coastal areas of the world. This is precisely where an important part of our work takes place. In addition mining firms and oil and gas companies are taking their search for ore, oil and gas ever further, including into vulnerable areas.

We want to be a leader in our industry in providing sustainable solutions, and to invest continuously both inside and outside our company in our knowledge and expertise, with over 100 engineers and ecologists at our R&D division and our own engineering consultancy Hydronamic. We also work with universities and research institutes in this field and invest continuously in fundamental and applied research.

Our environmental policy and our objectives target those areas where we can create the most added value: investment in and deployment of an environmentally friendly fleet consisting of 1,100 units, providing environmentally friendly working methods and techniques and using our eco-engineering expertise on our projects and contracts.

Our ISO 14001 certification, which has been translated into clear and practical guidelines, shows that the application and improvement of our environmental performance is an ongoing focus of attention.

Boskalis is one of the initiators of the Building with Nature innovation program, phase 1 of which was executed in 2008-2012 and involved a total investment of EUR 30 million. The program has now entered its second phase under the umbrella of the Dutch government's Top Sector policy. Boskalis is also investing in this phase. The focus is on using the ecosystem and the dynamism present in it on the one hand, and on creating new opportunities for ecology and nature on the other. This requires a fundamentally different approach to projects. Interdisciplinary project teams take the natural system as the starting point for a design and look from the start for added value for all parties involved. The emphasis is on shared interests and synergies, rather than on differences and polarization. The years of research and development have produced a great deal of knowledge about eco-engineering, or 'Building with Nature'.



Six secondary channels are constructed along the river IJssel for the Room for the River project in the Netherlands.

### ECO-ENGINEERING TASK FORCE

The objective of the Eco-Engineering Task Force, which was established by the group management in 2012, is to present Boskalis as an innovative and leading player in eco-engineering and to further expand our knowledge network. In addition to our own engineering consultancy Hydronic, all activities are represented at management level in the task force to ensure that eco-engineering is incorporated in the project development, tendering and execution stages. The task force met once during 2013.

### SUCCESSFUL APPLICATION

The successful application of eco-engineering is only possible if our clients are also prepared to embrace the concept and take on projects. To date, it has been mainly our clients in the high-end segment of the market who have been open to this. We actively promote the concept with all our clients by demonstrating that eco-engineering not only produces added value for nature and the environment: projects can also be completed faster in many cases, and at lower cost, because this knowledge can be brought into the permit procedures and consultations with stakeholders. This brings projects into reach which were not previously feasible.

It is important for us to be able to demonstrate that eco-engineering has resulted in successful applications in practice. A few examples:

### PROTECTING THE COAST BY CREATING A DYNAMIC NATURE AND RECREATION AREA

In 2011 the Dutch coast acquired a unique new nature feature to protect the Netherlands against the sea: the Sand Motor. The Sand Motor is a peninsula consisting of no less than 21.5 million cubic meters of sand. Wind, waves and currents are gradually dispersing the sand along the coast of the province of South Holland between the Hook of Holland and Scheveningen, changing the shape of the Sand Motor, which will eventually be transformed into new dunes and a wider beach, protecting the coast while creating a dynamic nature and recreation area. The Sand Motor is generating considerable interest from coastal managers and project developers from both the Netherlands and abroad.

### LARGE-SCALE CORAL RELOCATION IN JAMAICA

The construction of the Falmouth Cruise Ship Terminal in Jamaica required changes to the access channel and the relocation of large coral reefs on either side of the channel. During the work involving the coral, there was close contact between experts on these ecosystems. Over a period of eight months, trained divers successfully transplanted 140,000 coral colonies from an area of more than 11 hectares. (See also the case study on [www.boskalis.com/csr](http://www.boskalis.com/csr)).



### **SOFT AND GREEN FLOOD PROTECTION FOR RIVERS**

Building or raising dikes for flood protection is a proven concept with which we have a great deal of experience in the Netherlands. Higher dikes often also mean more opposition from local residents, who face major changes in their surroundings. And so we are looking for other solutions where possible. For example, we have planted a willow forest in the Noordwaard polder in front of the existing dike. Rigorous annual pollarding makes the trees put down long and strong roots, enabling them to reduce wave impact by an estimated 80 per cent. This natural solution also cuts construction and maintenance costs.

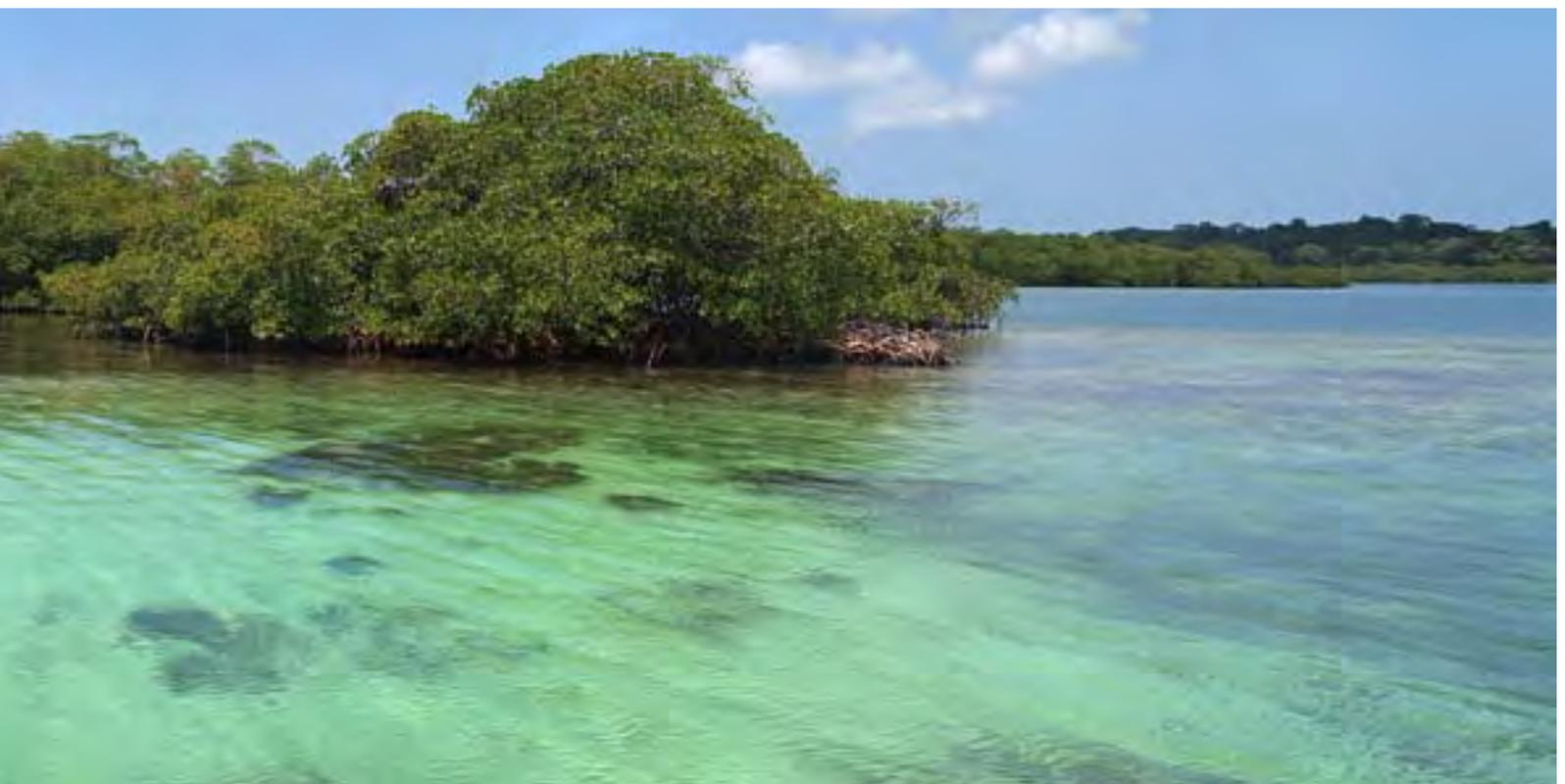
### **PROTECTING WHALES IN GABON**

Boskalis was involved in the construction of a new industrial area in Gabon in 2013. Protecting the marine environment was a major challenge on this project. An important consideration was to mitigate noise and other factors affecting whales, because Cap Lopez Bay is home to large numbers of humpback whales in the winter. You can read more about the solution we chose in the theme text on pages 42-43 of this report.

### **KNOWLEDGE SHARING**

Boskalis shares its knowledge of eco-engineering with interested (market) parties. For example, we were part of an alliance with fifteen offshore contractors, engineering companies, research institutes and Arctic consultants in February 2012 to launch a Joint Industry Project (JIP) and produce recommendations for guidelines relating to safe, reliable and sustainable operations in the Arctic region. The focus was on the installation of floating and fixed platforms and pipeline laying, as well as on dredging work. We also looked at more general activities such as forecasting and monitoring weather conditions, assessing the environmental impact of activities, logistics, preparing equipment, and health and safety management. The Arctic Guide Report Challenges & Recommendations manual was issued at the end of 2013. We hope that it will enable us to make a contribution to the public debate about infrastructure in this region.

Furthermore, in the Netherlands, we will be using a number of eco-engineering projects to show that fuel-saving measures have both environmental and economic value. We want to engage in dialogue with clients about this area. (See CO<sub>2</sub> performance ladder inset text elsewhere in this section.)



# ECO-ENGINEERING IN GABON

In 2013 Boskalis worked on the construction of a new industrial area in Gabon. Protecting the marine environment was a major challenge on this project.

An important consideration was to mitigate noise and other factors affecting whales, because Cap Lopez Bay is home to large numbers of humpback whales in the winter.

In Port Gentil, Gabon's second port city, the government has designated an area of 1,500 hectares as an industrial free-trade area. The first activity is the development of the Gabon Fertilizer Company (GFC), for which 80 hectares of land is being reclaimed. As the main financier for GFC, the International Finance Corporation (IFC), part of the World Bank, sets tough environmental requirements.



## EIGHTEEN MONTHS OF PREPARATION

"The project was preceded by 18 months of preparation, studies and environmental impact analyses," says Annemiek Hermans, an environmental engineer with Hydronamic, the Boskalis engineering consultancy. Together with her colleagues Stefanie Ross and James Brocklehurst she supervised the environmental aspects of the project. "There was hardly any documentation about this region, but there was considerable concern about the impact of the dredging works. The humpback whales were a particular focus of interest," says Stefanie.

## THE ECOLOGICAL CHALLENGE

Since the international ban on whaling came into force the global population of humpbacks has risen to around 60,000. They spend part of the year within the Arctic Circles, where they build up their food reserves. When the temperature starts to drop, they swim thousands of miles to various tropical locations where they spend the winter mating and giving birth. "Cap Lopez Bay near Port Gentil is visited every year by what we call 'subpopulation B1' of the humpback whales," explains James. "Because this site is so important to the humpbacks, steps were needed to make sure they weren't disturbed. There were two main points in this respect. The first was to prevent any possible underwater noise nuisance by the dredging equipment. Secondly, the whales use the underwater slopes of the bay to protect and feed their young. That meant that the original shape of the bay had to be preserved."

## THE ECO-ENGINEERING SOLUTION

During the preparation phase, a creative solution was devised that would keep the noise level to a minimum and barely affect the shape of the bay. "The solution was an 'underwater noise barrier'," says Annemiek. "And instead of taking the sand from a large area of the seabed we opted to dredge an underwater lagoon. As a result, the slopes of the bay remained virtually unaffected."

The environmental engineers took various initiatives to determine whether the approach would reduce underwater noise levels adequately. "Measurements were taken at various times and at various locations and the predictions turned out to be right: our

noise barrier muffled the noise even better than we had expected. The sound of the dredging activities turned out to have no visible impact on the sea mammals' behavior," says James.

The employees of the fleet and the support vessels also followed the 'Marine Mammal Observer' training course, which taught them how to spot and avoid whales and other marine animals such as dolphins and turtles.

## STAKEHOLDER APPRECIATION

Representatives of the IFC expressed their appreciation during a visit to the project. Josefina Doumbia, Principal Environmental and Social Specialist at the IFC: "We were impressed by the way in which the stated environmental requirements had been met, and particularly by the commitment of the crew and the project team, and the cooperation with the Liambissi Foundation NGO."

The Liambissi Foundation is a local NGO that monitors the turtle population on this stretch of coast. The project team asked them to handle the monitoring of the turtle population. Philippe Du Plessis, the head of the foundation, says: "At the outset, we were quite skeptical. But the final result was very satisfactory. We were able to make a contribution thanks to our knowledge of the marine life in the region and the monitoring has revealed that there has been no impact on the turtle population."

Annemiek concludes: "The data we gathered during this project has given us a lot of new insights into ways of protecting the marine environment. This knowledge will be very valuable on future projects."

## AWARD

The project in Gabon has been nominated for the British Expertise Awards 2013/14 - Outstanding International Environmental Project. The winner will be picked from the three names on the shortlist and announced in April 2014.

For more instances of eco-engineering, please see pages 40-41 of this report.

# ENVIRONMENTALLY FRIENDLY EQUIPMENT

We take targeted measures to invest in equipment that will enable our operations to be as environmentally friendly as possible.

An environment in which project and contract specifications include not just price but also sustainability values is precisely the kind which challenges us to keep innovating. In our Dutch market we grasp the opportunities we are offered and we have had certification since 2012 for the highest rung on the CO<sub>2</sub> performance ladder. In other regions we comply with international legislation and regulations in addition to our own policy. We act ahead of changes in the law and create the conditions for rapid implementation by investing in an extensive R&D program.

The International Maritime Organization (IMO) draws up rules aimed at further reducing emissions from shipping, while the European Union's Marine Strategy Framework Directive also imposes a range of measures for the reduction of maritime emissions. At the same time, several large ports around the world have introduced the Environmental Ship Index. These ports reward cleaner ships by reducing port fees. We consult with the authorities on these matters through national and international sector associations such as the European Dredging Association (EuDA) and the Dutch Association of Hydraulic Engineers, as well as by contributing our technical knowledge in order to



## CO<sub>2</sub> PERFORMANCE LADDER RESULT IN 2013

In 2013 Boskalis once again obtained certification for level 5, the highest level attainable on the CO<sub>2</sub> Performance Ladder. This is a tool used by government organizations and businesses in the Netherlands to encourage companies that take part in often complex tenders to exercise carbon awareness in their business operations and in the execution of projects. Key points of focus are energy saving, efficient use of materials and the use of sustainable energy.

Boskalis wants to draw more explicit attention to the sustainable impact of the works it executes in the Netherlands and has therefore decided to also start measuring and publishing the CO<sub>2</sub> impact of a number of eco-engineering projects. That is why it has been decided to determine the carbon footprint as well for a number of eco-engineering projects in the Building with Nature program, and to focus in particular on the positive impact of CO<sub>2</sub> capture using natural solutions. We will be doing this for projects such as the Sand Motor. On our projects we want to show more clearly that fuel-saving measures have both environmental and economic value. We want to engage in dialogue with clients about this issue. More information about Boskalis activities relating to the CO<sub>2</sub> performance ladder can be found on [www.boskalis.com/nederland](http://www.boskalis.com/nederland) (Dutch only).

make emissions measurable. In doing so, we seek to work towards realistic regulations for our industry that enjoy broad support.

### ENERGY MANAGEMENT TASK FORCE

Our special Energy Management Task Force keeps a close eye on the development of national and international legislation and regulations on emissions, and instigates emission-reduction initiatives through innovations in equipment and working methods. Headed by a member of the Board of Management, the Task Force is composed of specialists and professionals from across the organization. The Task Force pools knowledge and best practices and promotes awareness within the organization. At the sector level, the Task Force is working on developing an industry standard for the dredging fleet for measuring CO<sub>2</sub> emissions per production unit.



## MEASURES ABOARD OUR FLEET

Both individually and in conjunction with suppliers, sector organizations, knowledge institutes and NGOs:

- we conduct research into the use of cleaner and more efficient propulsion systems and cleaner fuel (see also the theme text on pages 20-21);
- we look at implementing energy-saving measures on our equipment;
- we encourage recycling initiatives for parts such as worn-out pump casings, impellers, cutter teeth and floating dredging pipes;
- we pursue a sustainable dismantling policy (see also the theme text on pages 16-17);
- where possible we take steps to ensure the separate collection and disposal of waste;
- we use water efficiently and responsibly;
- we encourage environmental awareness and motivation in our own employees and those employed on behalf of Boskalis.

For more information please refer to our corporate website [www.boskalis.com/csr](http://www.boskalis.com/csr).

## CO<sub>2</sub> EMISSIONS IN 2013

Boskalis measures and reports on the fleet's total CO<sub>2</sub> emissions on the basis of fuel consumption. The absence of a clear measuring standard precludes the meaningful statement of relative emissions per production unit, making the annual consumption reports difficult to compare, even without the effects of acquisitions and divestments. A complex set of factors comes into play here. Our dredging and offshore fleet consists of different types of vessels, and the deployment of older or, conversely, more modern vessels and the capacity utilization of the fleet also have a bearing on fuel consumption in a given year. In addition the nature of the projects can also result in a distorted picture; for example, a cutter suction dredger that has spent a year on projects involving a lot of hard soil will have much higher energy consumption than in another year when it has worked in softer soil.

This means that higher or lower fuel consumption in a given year is not an adequate reflection of the quality of our environmental performance. We do not therefore believe it is useful to set a quantitative target for annual fuel consumption at this time.



The N-class vessels, brought into service in 2014 have an ECO notation. They are equipped, among others with state-of-the-art waste processing systems.

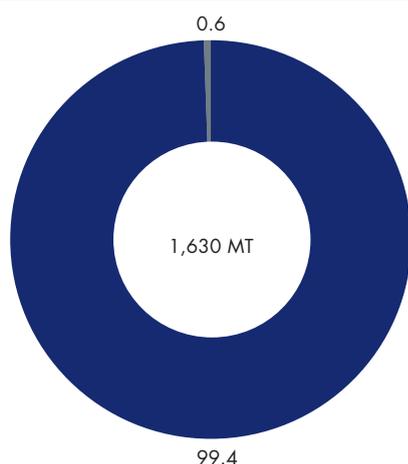
In order to present balanced reporting on our fuel consumption and carbon emissions, Boskalis is working with others in the dredging sector to reach agreement about an industry standard for CO<sub>2</sub> emissions per production unit.

In 2013, this resulted in a prototype for a new calculation model that can be used as a standard. In the Netherlands, Boskalis is negotiating through the Dutch Association of Hydraulic Engineers with the Ministry of Public Works for this calculation model to be applied to a program aimed at reducing carbon emissions on coastal replenishment projects.

Reporting at Dockwise is also complex because of differences in fleet composition, age of the vessels, utilization of the vessels, distance travelled and cargo transported. All of these aspects affect fleet energy consumption. Continuous improvements have been made to report, measure and reduce fuel consumption.

In terms of both fleet and office organization associate companies are consolidated pro rata to the participating interest we hold.

CO<sub>2</sub> (Metric Tons '000)



Fleet (%)

Offices (%)

The total group emissions in 2013 amounted to 1.63 million tons CO<sub>2</sub> (2012: 1.05 million tons CO<sub>2</sub>). This increase of 55% is primarily attributable to the acquisition of Dockwise and its inclusion in the report. If Dockwise had been excluded, there would have been an increase of 4% in emissions.

#### Boskalis

The emissions for the Boskalis fleet include, in addition to the traditional dredging vessels, the activities of SMIT. The total emissions amounted to 940,000 tons (2012: 901,000 tons). This increase of 4.3% can be attributed on balance to the following elements:

- the higher level of utilization of the hopper fleet (44 weeks compared to 41 weeks in 2012) resulted in an increase in emissions by the hopper fleet of 7.3%;
- as a result of the sale of the Ursa and lower utilization of the cutter fleet (16 weeks compared to 25 weeks in 2012), cutter fleet emissions fell by 45.8%;
- as a result of the high level of activities and the resulting high level of fleet utilization, emissions from SMIT activities rose by 23.7%.

#### Dockwise

The CO<sub>2</sub> emissions from the Dockwise fleet amounted to 534,000 tons in 2013. This includes emissions for the entire calendar year but not the emissions for the Dockwise Yacht Transport activities, which were sold in 2013.

#### Smit Lamnalco

The CO<sub>2</sub> emissions by Smit Lamnalco amounted to 156,000 tons. The increase of 3.8% is attributable in part to the takeover of the Harbour Towing activities in Gladstone, Australia and higher fleet utilization in 2013.

	FLEET		OFFICES		CO <sub>2</sub> ** MT ('000)
	FUEL HFO m <sup>3</sup> ('000)	FUEL MGO m <sup>3</sup> ('000)	ELECTRICITY KWh (miljoen)	GAS Mj (miljoen)	
Boskalis	108.1	188.3	9.9	20.6	<b>940</b>
Dockwise	155.9	11.1	*	*	<b>534</b>
Smit Lamnalco	–	50.2	*	*	<b>156</b>
Total	264.0	249.6	9.9	20.6	<b>1,630</b>
<b>CO<sub>2</sub> MT ('000)</b>	<b>846</b>	<b>777</b>	<b>5.6</b>	<b>1.2</b>	

\* not available

\*\* The conversion of fuel into carbon dioxide took place according to ISO and ISM standards in 2013. Please refer to the Glossary on page 71.



Boskalis is the lead sponsor of the Boskalis Beach Clean-up Tour, aimed to create awareness of plastic in the ocean.

# OUR SOCIETAL PERFORMANCE

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**50**      **POLICY AND OBJECTIVES**

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**51**      **SUPPORTING LOCAL  
COMMUNITIES**

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**52**      **SOCIETAL SPONSORSHIP  
AND DONATIONS**

# POLICY AND OBJECTIVES

In our primary activities, we seek to design and implement sustainable solutions around the globe. In addition, where possible, we support local communities and invest in education and knowledge transfer through social sponsorship and donations.

Every year, Boskalis supervises interns, graduates and doctorate students. The figure for 2013 was 130 (2012: 95).

Boskalis has a long tradition of supporting scientific research relevant to our sector. We engage both individually and at the sector level in (fundamental) research in alliances with research institutes and universities, and we share knowledge through lectures and presentations.

At Delft University of Technology we co-fund a Chair of Dredging Technology and supply a scientific officer, while 2011 saw the establishment of a dual lectureship at Delft University of Technology and Wageningen University.



Information session in Ilaje, Nigeria.

# SUPPORTING LOCAL COMMUNITIES

Our dredging activities affect the local communities in which we operate and we seek to generate support for the execution of our work. We devote ample attention to environment management, and actively involve local residents, officials and NGOs in the planning and implementation of our projects.

Our industry is capital- and knowledge-intensive and, given this, we impose strict quality requirements on all our employees and suppliers. On long-term projects or in regions where we have a virtually permanent presence we make targeted investments in training local staff. Where possible we source goods and services from local suppliers.

Our people at our offices and on our projects develop initiatives that we support wholeheartedly and which are encouraged by the Board of Management. These include donating safety bonuses to local good causes and contributions to health care, education and infrastructure.

## **BEACH HOUSE IN NIGERIA**

Our subsidiary Nigeria Westminster Dredging and Marine Limited (NWDM) built a beach house for the Ogulagha community in Nigeria in 2013. We have completed a range of projects for this community. The village of Ogulagha is at the mouth of the Forcados River in the Niger Delta and travel both within the community and to the interior is by water. Our staff in Ogulagha had been watching how travelers were forced to wait in the sun or the rain or in a little makeshift shack. And so NWDM decided to build a beach house for the community, with a large waiting room for passengers, a shop, offices, a ticket window and toilet facilities.

## **SMIT AMANDLA MARINE'S SOCIO-ECONOMIC DEVELOPMENT PROGRAM**

SMIT Amandla Marine's Socio-Economic Development (SED) program continued in 2013 to prioritize programs in South Africa that provide access to the economy for previously disadvantaged black\* South Africans. SMIT has entered into partnerships with a number of accredited educational and community-based organizations in South Africa to provide educational support and also to promote the maritime industry, which is key to creating a talent pipeline for the industry. Some of the results achieved in 2013 included:

- Thirty scholarships for primary, secondary and tertiary education were awarded to children of lower-income employees.
- Four black South Africans in their first year of maritime studies and maritime engineering at South African Universities of Technology received full scholarships for tertiary education.
- Bursaries for learners at Lawhill Maritime Centre were awarded through a donation to Simon's Town High School in Cape Town.
- In partnership with HOPE Cape Town, SMIT Amandla Marine participated in a number of community upliftment projects that included hands-on employee involvement in Mandela Day activities in the community of Blikkiesdorp, as well as a Christmas Party held in Delft, Cape Town.
- Four black South Africans received sponsored training targeting people who wish to apply for entry-level positions in the maritime sector.
- In addition, the company has promoted career opportunities in the maritime industry, including the National Job Summit and Careers Expo in Durban and World Maritime Day activities in Kimberley. Maritime Promotion is considered to be a socio-economic development activity.

\* The term 'black' refers to African, Colored and Indian South Africans who were previously disadvantaged under the Apartheid regime in South Africa.

# SOCIETAL SPONSORSHIP AND DONATIONS

Societal sponsorship and donations form an inextricable component of our CSR policy. We try to find causes that have a clear association with our core activities, central themes being water and the coast.

## PLASTIC IN THE OCEAN

In 2013 Boskalis became the lead sponsor of the MyBeach Clean-up Challenge, an initiative aimed at getting Dutch people more involved and at raising their awareness of plastic in the ocean. You can read more about this in the theme text on pages 54-55.

## EXHIBITION OF KING WILLIAM II'S ART COLLECTION

Boskalis is the lead sponsor of the exhibition at the Dordrechts Museum devoted to the art collection of the Dutch King William II. Famous in its day, the collection was broken up after the king's death. Now the collection, which includes paintings by artists such as Rembrandt, Rubens, Da Vinci, Rafael and Van Eyck, has been reassembled to mark the bicentenary of the Kingdom of the Netherlands, with works on loan from the Hermitage in St. Petersburg, Russia, among others. Boskalis was keen to support the exhibition because, in addition to being a company that has been granted the designation 'Royal', we are a major employer in the Drecht Towns region. We have been based in this region for over 100 years and wish to use our sponsorship to express our involvement with the community. The exhibition in Dordrecht was opened by King Willem-Alexander on 4 March. There will be special programs for our employees, including family days with a special focus on education.

## OTHER SPONSOR PROJECTS

### TOUR FOR LIFE

See the theme text on pages 58-59 of this report.

### KNRM

We have been associated with the Royal Netherlands Sea Rescue Institution (KNRM - [www.knrm.nl](http://www.knrm.nl)) for many years now. We support the organization financially.

### TEAM BOSKALIS

Team Boskalis achieved third place in the 2013 Sailing World Championships. A great final result for this project: over the years we have given young competitive yachtsmen the opportunity to join the best in the world by providing them with financial support and coaching from experienced colleagues.

Members of the SMIT Salvage team are hoisted aboard the stranded tanker Silver in Morocco.



# BOSKALIS BEACH CLEAN-UP TOUR TO COMBAT PLASTIC IN THE OCEAN

In recent decades, vast quantities of plastic have ended up in our oceans. It is estimated that 80-90% of the waste comes from the land and 10-20% from ships.

Ocean currents cause the plastic to accumulate in 'gyres', where a 'soup' of plastic particles is formed.

In addition to the gyre or 'plastic garbage patch' in the Indian Ocean there are four garbage patches in the Pacific and three in the Atlantic, together covering an area estimated to be more than double the size of the United States.

Representatives of Boskalis and waste processing company Van Gansewinkel Groep fished samples of the plastic waste out of the waters of the Indian Ocean, between Australia and Mauritius, and analysed them in 2010. The findings were reported and discussed with parties including Plastics Europe, the sector association of European plastics manufacturers. Boskalis and Van Gansewinkel also conveyed their knowledge and experience in a workshop on waste in the oceans organized by the World Wide Fund for Nature. Preventing more non-degradable waste ending up in our seas and oceans through education programs can make a significant contribution to the solution. (See also our CSR Report 2010, pages 30-33.)

## AWARENESS AND COMMITMENT

In 2013 Boskalis became the main sponsor of the Beach Clean-up Tour organized by the NGO North Sea Foundation. The initiative aims to get Dutch people more involved and to raise their awareness of plastic waste in the ocean. It makes sense for Boskalis to support a Dutch initiative so closely associated with our area of operations; we have traditionally been involved in maintaining this coastline. In August, 350 km of beach was cleaned up and a detailed record made of the pollution in certain areas. Extrapolating this information to the whole coastal zone resulted in a clear picture of the pollution challenge facing the Netherlands on its coastline. The North Sea Foundation presented the results of the clean-up to a member of the Dutch Parliament and a member of the European Parliament. Raising awareness of the pollution issue among politicians makes it more likely that international regulations will be developed or that measures will be taken to combat ocean pollution.

After a highly successful first edition, Boskalis decided to commit itself to this sympathetic initiative for the longer term.



MY BEACH CLEANUP CHALLENGE



# OUR ECONOMIC PERFORMANCE

## POLICY AND OBJECTIVES

We contribute towards the economy and employment of a region through our services and the infrastructural works we realize. Our policy is aimed at the continuity and preservation of our leading position in our industry. We aim for structural growth of the company and a healthy return on equity, at the same time taking account of the interests our stakeholders. Long-term profitability is a material condition for achieving our corporate goals and for the continued growth of our company. It is a measure of the company's efficiency and of the ultimate value that clients attach to the services we supply. Without profit and without a robust financial base it would not be possible to meet our responsibilities.

Boskalis follows the statutory regulations relating to tax payments and, worldwide, we pay an average of some 18 per cent tax in approximately 40 tax systems, including approximately 20 developing countries.

## DIALOGUE WITH STAKEHOLDERS

Transparent and regular communication with our stakeholders is something we value highly. We consider our financial stakeholders to include existing and potential shareholders, other investors and their brokers, and the media. It is important to us to provide them with clear and accessible information. The Boskalis share is covered by the major Dutch brokers as well as a number of foreign brokers and their analysts, whom we also consider as belonging to our financial stakeholders. They want to provide their clients with good advice and information about our company, the dredging and maritime services markets and general developments in our markets. Questions from stakeholders are answered candidly; wherever possible we take the initiative when it comes to raising important issues. For example following an important announcement we proactively contact shareholders by phone. We maintain regular contact with major investors and analysts, for example by organizing annual visits to project sites. In 2013 we held approximately 340 meetings with investors from Western Europe, the United States, Australia and Canada, both during roadshows and conferences and in one-on-ones. Meetings with investors and analysts are held using publicly available presentations ([www.boskalis.com](http://www.boskalis.com)) with no stock price-sensitive information being discussed. For further information please refer to the 'Shareholder information' section of our Annual Report 2013.

## KEY FIGURES AND RESULTS FOR 2013

For information on the key figures and results for 2013 and outlook please refer to the chapters in our Annual Report 2013: the Report of the Board of Management (pages 31-57, Financial Statements (pages 59-126), and our ten-year overview (page 130).

# TOUR FOR LIFE: TOGETHER FOR MÉDECINS SANS FRONTIÈRES

Médecins Sans Frontières and Boskalis have a few things in common when it comes to their work. This gave Sander Steenbrink, manager at the Dredging Development department, an idea. He put together a Boskalis team for the Tour for Life, an eight-day cycle tour from Italy to the Netherlands to raise funds for the doctors. The team managed to generate the biggest sum ever, mainly thanks to teamwork, entrepreneurship and a professional approach: the Boskalis core values.

The Tour for Life is an annual event to raise money for Médecins Sans Frontières. Teams take eight days to complete the 1,250 kilometers from northern Italy to the Netherlands. On 1 September 2013 there were 600 cyclists at the starting line, including Sander Steenbrink and nine Boskalis colleagues. Sander spotted some similarities between the aid organization and Boskalis. “The doctors work in teams all around the world in difficult circumstances, so there’s a link to our company there. Boskalis has grown and it seemed like a good idea to express our mutual connection through this event. The cyclists came from various business units around the globe, even from as far away as South Africa.”

## BROAD SUPPORT

The cycle tour was supported by an array of fund-raising initiatives. For example, everyone had the opportunity to buy Tour for Life cycling gear. At the staff restaurant at the head office in Papendrecht, colleagues tucked into Tour for Life sandwiches while the cyclists explained what the initiative was all about. In June, 100 Boskalis employees formed teams to compete against each other in a highly popular spinning marathon in the same restaurant. That day alone generated over EUR 15,000. The Travel Clinic at Rotterdam’s Havenziekenhuis hospital sponsored the cyclists with free vaccinations and an extensive sports medical screening. Once everyone had been ruled fit enough for the demanding tour, training could begin – and not just for the team of cyclists. Sander Steenbrink looks back: “We did part of the training individually but every other week we trained together and on these occasions other Boskalis colleagues could join in. With all the initiatives, we looked at how we could make this more than just a cycle trip for a small group.” There was also keen interest in a dedicated website, and on Facebook and Twitter, with a large number of colleagues following the team’s exploits both before and during the tour. “The reactions and likes were very motivating, and it was also great fun to get a large group of colleagues directly involved in our project in this way.”

### SHIELDING EACH OTHER FROM THE WIND

Every morning in the saddle bright and early and helping each other get through. "The first few days in particular were tough. The tour includes some challenging climbs. From day four on, the route got flatter and it was easier to work together. The team included a couple of brilliant cyclists who spent a lot of time at the front of the group, setting a pace that everyone could keep up with. We waited for each other, shielded each other from the wind, and gave one another moral support. On the second day I was completely wrecked and suffering from salt-deficiency. That's when it's great that you have team members to pull you through. Apart from saddle soreness and aching muscles, two flat tires and a couple of broken wheels, we got through it in one piece. We owe a tremendous amount to our wonderful Boskalis support team, who took our stuff to the camp sites, pitched the tents and supported us on the road."

### CORE VALUES IN THE SPOTLIGHT

Two months after this fund-raising event Typhoon Haiyan hit the Philippines. Partly thanks to the EUR 1.3 million raised by the Tour for Life, Médecins Sans Frontières was able to go out and provide aid in the disaster zone. This also included the money raised by the Boskalis cycle team. Steenbrink: "The highest-ever sum in the Tour for Life stood at EUR 51,500; our Boskalis team raised EUR 75,000. The Boskalis Board of Management made an extra donation, boosting this to EUR 100,000. A token of appreciation for this initiative putting the spotlight on Boskalis core values."





# APPENDIX

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# ABOUT THIS REPORT

## PURPOSE AND PROCESS OF THE REPORT

In this Corporate Social Responsibility (CSR) report we provide an account to all our stakeholders of the CSR policy we pursued in 2013.

The Board of Management is responsible for the preparation of our CSR report, which is compiled by a multidisciplinary CSR team. Our consolidation takes place at successive levels, starting with the projects and local office organizations, moving on through the relevant business units and staff departments and ending with the consolidated group reports. The criteria are set out in our CSR Reporting Manual that our Group Accounting & Reporting department uses to monitor and validate the content of this sustainability report. The report is subject to approval by the Board of Management of Boskalis and its contents are discussed in their entirety with the Supervisory Board.



## FOLLOWING THE GUIDELINES

We have been publishing a CSR report alongside our annual report since 2009. We report in accordance with the international guidelines set out by the Global Reporting Initiative (version G3.1), at application level B. We are preparing for the new GRI 4 guideline introduced in 2013. The GRI table on pages 64-65 shows which KPIs we report on.

## REPORTING SCOPE

We report on Boskalis, including the activities of SMIT, MNO Vervat and Dockwise. Dockwise has only been a part of Boskalis since the second quarter of 2013 but in terms of the non-financial parameters the activities of Dockwise are reported for the whole of 2013 in this CSR report, unless stated otherwise. The activities of our strategic partnerships such as our interests in Smit Lamnalco, Keppel Smit Towage and Asialift are included in this CSR report on a pro rata basis. Our minority shareholding in Archirodon (which we sold mid 2013) falls outside the scope of this report. The partnership with VSMC (Volker & Smit Marine Contracting) concluded at the end of 2013 has not been taken into consideration given the fact that this joint venture was established only recently.

In addition, the following considerations apply to our environmental performance:

- Applying a quantitative target to our annual fuel consumption is not meaningful as long as the carbon emissions of our fleet cannot be linked to the relative emissions for each production unit. It is our aim to establish an industry standard and we are in talks with others in the sector to achieve this.
- Our CO<sub>2</sub> reporting comprises our ships and permanent offices, which together account for around 95% of emissions.

## RELIABILITY

As a result of the acquisitions of SMIT, MNO Vervat and Dockwise we have also had to integrate information accordingly in the area of CSR. We consider fully integrated CSR reporting to be a condition for external verification. In mid-2013 we set ourselves the objective of having the entire CSR report verified by an independent external party within the next few years. This report takes an important first step in that direction with the verification for the 2013 safety performance.

## PUBLICATION DATE

The 2013 CSR report was published simultaneously with the 2013 Annual Report on 13 March 2014 on the corporate website at [www.boskalis.com](http://www.boskalis.com).

## CONTACT

We greatly appreciate any suggestions you may have for improving our CSR policy and the way we report on it. We are happy to engage with you on this subject and cordially invite you to contact:

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 Director Investor Relations & Corporate Communications  
 Telephone: +31 78 6969822  
 E-mail: [csr@boskalis.com](mailto:csr@boskalis.com)  
 Website: [www.boskalis.com/csr](http://www.boskalis.com/csr)

# GRI TABLE

This report follows the GRI guidelines (version G3.1). The table below lists the GRI indicators that we are reporting on along with references to the sections and page numbers where this information can be found.

GRI INDEX	SECTION	PAGE
<b>STRATEGY AND ANALYSIS</b>		
1.1	Statement from the CEO	4-5
1.2	Principal risks, opportunities and impact in the chain	15
<b>ORGANIZATION PROFILE</b>		
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2.2	Products and services	Who we are 8-9
2.3	Operational structure	Who we are 13
2.4	Location headquarters	Who we are 8
2.5	Operating countries	Who we are 13
2.6	Nature of ownership and legal form	Who we are 8
2.7	Markets	Who we are 18
2.8	Scale of reporting	Who we are 13
2.9	Changes in organization	Who we are 4
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3.1	Reporting period	Appendix-About this report 62-63
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3.8	Basis for reporting on joint ventures	Appendix-About this report 63
3.9	Techniques applied in composing indicators and other information in the report	Our environmental performance, Appendix-About this report/Glossary 47, 62-63, 71
3.10	Re-statements	Our environmental performance, Appendix-About this report/Glossary 47, 63, 71
3.11	Changes in reporting	Appendix-About this report 63
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<b>GOVERNANCE, OBLIGATIONS AND INVOLVEMENT</b>		
4.1	Governance structure	Who we are 13
4.2	Chair of the highest governance body	Who we are 13
4.3	Independence	n.a. -
4.4	Mechanisms for shareholders and employees	Who we are 13
4.5	Relating remuneration of highest governance body to organizational performance	Who we are 12
4.6	Processes applied by highest governance body to guard against conflict of interest	Who we are 13
4.7	Process for determining qualifications and expertise of members of the highest governance body	Who we are 13
4.8	Internally developed mission and codes of conduct	Who we are 13
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<b>GRI INDEX</b>	<b>SECTION</b>	<b>PAGE</b>	
4.10	Process for evaluating the performance of the highest governance body	Who we are	13
4.11	Notes on observance of precautionary principle	Our value chain	15
4.12	Commitment to external charters	Who we are + Our societal performance	13,31
4.13	Membership of associations or organizations	Our environmental performance	44
4.14	List of stakeholder groups	Who we are	14
4.15	Identification and selection of stakeholders	Who we are	14
4.16	Details of stakeholder dialogue, including frequency	Who we are	14
4.17	Details of topics discussed with stakeholders	Our social performance, Our environmental performance, Our societal performance, Our economic performance	16-17, 20-21, 26-27, 30-31, 34-35, 41-44, 50-57
<b>ECONOMIC PERFORMANCE INDICATORS</b>			
EC 1	Direct economic value	Who we are, Our economic performance	11,57
EC 3	Coverage of organization's defined benefit plan obligations	Our social performance	31
EC 8	Investments in local infrastructure and services	Who we are, our societal performance	51
<b>NATURE &amp; ENVIRONMENTAL PERFORMANCE INDICATORS</b>			
EN 3	Direct energy consumption by primary energy source	Our environmental performance	47
EN 4	Indirect energy consumption by energy source	Our environmental performance	47
EN 12	Significant impacts on biodiversity	Our environmental performance	39-41
EN 13	Habitats protected or restored	Our environmental performance	39-43
EN 14	Strategies, current actions and future plans for managing impacts on biodiversity	Our environmental performance	39-43
EN 16	Greenhouse gas emissions	Our environmental performance	46-47
<b>SOCIAL PERFORMANCE INDICATORS</b>			
LA 1	Workforce profile	Appendix-HR data	32-33, 66-67
LA 2	Employee turnover	Appendix-HR data	66-67
LA 4	Percentage of employees covered by collective bargaining agreements	Appendix-HR data	66-67
LA 7	Injuries, diseases and absenteeism	Appendix-SHE-Q data	68-69
LA 8	Education, prevention, risk-control programs regarding serious diseases	Our societal performance	31
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LA 13	Gender composition of governance bodies	Who we are	13
SO 1	Programs assessing the impacts of operations on communities, including entering, operating and exiting	Our societal performance	51
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HR2	Percentage of suppliers assessed for human rights compliance		19
<b>PRODUCT RESPONSIBILITY INDICATORS</b>			
PR 5	Results surveys measuring customer satisfaction	Who we are	18

# HR DATA

## NUMBER OF EMPLOYEES

NUMBER OF EMPLOYEES	2013	2012
Boskalis	<b>8,607</b>	8,751
Dockwise	<b>1,119</b>	n.a.
Smit Lamnalco	<b>1,251</b>	1,109
Archirodon	<b>—</b>	5,794
<b>TOTAL</b>	<b>10,977</b>	15,653

In all further information Dockwise is not included.

## COMPOSITION OF WORKFORCE

NUMBER OF EMPLOYEES BY COUNTRY	2013 BOSKALIS	2012 BOSKALIS
The Netherlands	<b>3,404</b>	3,375
Singapore	<b>1,001</b>	1,001
Belgium	<b>604</b>	597
South Africa	<b>608</b>	588
UAE	<b>440</b>	420
Nigeria	<b>383</b>	395
Philippines	<b>426</b>	359
Brazil	<b>333</b>	355
UK	<b>327</b>	321
Mexico	<b>170</b>	275
Other	<b>2,162</b>	2,175
<b>TOTAL</b>	<b>9,858</b>	9,860

AGE PROFILE	2013 BOSKALIS	2012 BOSKALIS
Age <30	<b>16%</b>	17%
Age 30 – 50	<b>56%</b>	55%
Age >50	<b>28%</b>	28%
<b>TOTAL</b>	<b>100%</b>	100%

COLLECTIVE BARGAINING AGREEMENTS YES/NO	2013 BOSKALIS	2012 BOSKALIS
No	<b>58%</b>	57%
Yes	<b>42%</b>	43%
<b>TOTAL</b>	<b>100%</b>	100%

TYPE OF CONTRACT	2013 BOSKALIS	2012 BOSKALIS
Fixed term/project based	<b>35%</b>	32%
Permanent/indefinite	<b>65%</b>	68%
<b>TOTAL</b>	<b>100%</b>	100%

NATIONALITIES	2013 BOSKALIS
Number of different nationalities	<b>88</b>

WOMEN/MEN RATIOS	2013 BOSKALIS	2012 BOSKALIS
Female	<b>8%</b>	8%
Male	<b>92%</b>	92%
<b>TOTAL</b>	<b>100%</b>	100%

## TRAINING

TRAINING HOURS	2013 BOSKALIS	2012 BOSKALIS
Management	<b>2,542</b>	2,646
Office staff	<b>24,474</b>	28,312
Project staff	<b>43,201</b>	27,155
Crew/yard staff	<b>81,635</b>	116,757
<b>TOTAL</b>	<b>151,852</b>	174,870

PARTTIME/FULLTIME RATIOS	2013 BOSKALIS	2012 BOSKALIS
Fulltime	<b>96%</b>	96%
Parttime	<b>4%</b>	4%
<b>TOTAL</b>	<b>100%</b>	100%

## RECRUITMENT

INFLOW BY AGE	2013 BOSKALIS	2012 BOSKALIS
Age <30	695	882
Age 30 – 50	1,401	1,470
Age >50	362	378
<b>TOTAL</b>	<b>2,458</b>	2,731

OUTFLOW BY REASON	2013 BOSKALIS	2012 BOSKALIS
Voluntary resignation	27%	38%
End of project/contract	44%	47%
Termination	24%	11%
Retirement/death	5%	4%
<b>TOTAL</b>	<b>100%</b>	100%

OUTFLOW BY AGE	2013 BOSKALIS	2012 BOSKALIS
Age <30	454	670
Age 30 – 50	1,284	1,715
Age >50	722	681
<b>TOTAL</b>	<b>2,460</b>	3,066

## DEVELOPMENT

JOB CATEGORIES	2013 BOSKALIS	2012 BOSKALIS-M
Management	2%	2%
Office staff	19%	19%
Project/Site Staff	16%	16%
Workforce/Crew	63%	63%
<b>TOTAL</b>	<b>100%</b>	100%

JOB CATEGORIES WOMEN/MEN RATIOS	2013 BOSKALIS		2012 BOSKALIS	
	FEMALE	MALE	FEMALE	MALE
Management	8%	92%	8%	92%
Office staff	35%	65%	35%	65%
Project staff	6%	94%	6%	94%
Crew/yard staff	1%	99%	1%	99%
<b>TOTAL</b>	<b>8%</b>	<b>92%</b>	8%	92%

JOB CATEGORIES BY AGE RATIOS	2013 BOSKALIS			2012 BOSKALIS		
	AGE <30	AGE 30 TM 50	AGE > 50	AGE <30	AGE 30 TM 50	AGE > 50
Management	2%	45%	53%	2%	48%	50%
Office staff	15%	57%	28%	16%	57%	27%
Project staff	21%	57%	21%	22%	56%	22%
Crew/yard staff	16%	56%	29%	16%	55%	29%
<b>TOTAL</b>	<b>16%</b>	<b>56%</b>	<b>28%</b>	17%	55%	28%

## OVERVIEW OF CERTIFICATIONS BOSKALIS

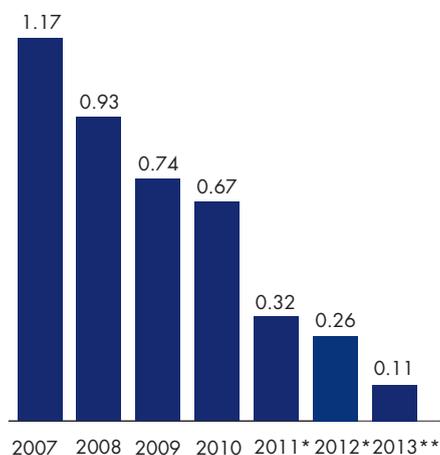
	ISO 14001	OHSAS 18001 OR VCA*	ISO 9001
<b>DREDGING</b>			
<b>INTERNATIONAL PROJECTS</b>	✓	✓	✓
<b>HOME MARKETS</b>			
The Netherlands	✓	✓	✓
United Kingdom	✓	✓	✓
Nordic	✓	✓	✓
Mexico	✓	✓	✓
Nigeria	–	–	✓
<b>OFFSHORE ENERGY</b>			
<b>DOCKWISE</b>	✓	✓	✓
<b>SUBSEA CONTRACTING</b>	✓	✓	✓
<b>MARINE CONTRACTING</b>	–	✓	✓
<b>SUBSEA SERVICES</b>	✓ (50%)	✓ (75%)	✓
<b>MARINE SERVICES</b>	✓ (33%)	✓ (67%)	✓
<b>SALVAGE</b>			
	–	–	✓
<b>HARBOUR TOWAGE</b>			
	✓ (4%)	✓ (4%)	✓ (50%)
<b>SMIT LAMNALCO</b>			
	✓	✓	✓

VCA\* Only for projects and activities carried out in the Netherlands, instead of OHSAS 1800

## LOST TIME INJURY FREQUENCY (LTIF) BOSKALIS

Number of incidents resulting in absence from work for every 200,000 hours worked.

### BOSKALIS LTIF



\* Blended Group LTIF including all activity segments.  
Pre 2011 Dredging only

\*\* Including Dockwise

	2013			2012		
	LTIF*	HOURS (MILLION)	LTI'S	LTIF	HOURS (MILLION)	LTI'S
<b>Dredging</b>						
Europe	0.27	2.98	4	0.41	5.30	11
East	0.00	0.64	0	0.00	1.40	0
Middle (incl. Nigeria)	0.04	4.68	1	0.18	3.26	3
West	0.00	2.64	0	0.09	4.63	2
Middle East	0.00	0.54	0	0.00	0.43	0
<b>Total</b>	<b>0.09</b>	<b>11.48</b>	<b>5</b>	<b>0.21</b>	<b>15.02</b>	<b>16</b>
<b>Offshore Energy</b>	<b>0.07</b>	<b>5.99</b>	<b>2</b>	<b>0.14</b>	<b>10.32</b>	<b>7</b>
<b>Salvage</b>	<b>1.08</b>	<b>0.56</b>	<b>3</b>	<b>1.06</b>	<b>0.75</b>	<b>4</b>
<b>Harbour towage</b>	<b>0.21</b>	<b>2.81</b>	<b>3</b>	<b>0.45</b>	<b>7.59</b>	<b>17</b>
<b>Smit Lamnalco</b>	<b>0.12</b>	<b>11.41</b>	<b>7</b>	<b>0.18</b>	<b>8.98</b>	<b>8</b>
<b>Office &amp; yards</b>	<b>0.13</b>	<b>3.17</b>	<b>2</b>	<b>0.63</b>	<b>2.69</b>	<b>8</b>
<b>JV's (Smit Amandla, Asian Lift,** VLMS, KST)</b>	<b>0.08</b>	<b>7.87</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>BLENDED GROUP TOTAL</b>	<b>0.11</b>	<b>51.20</b>	<b>29</b>	<b>0.27</b>	<b>45.35</b>	<b>60</b>
<b>Dockwise</b>	<b>0.06</b>	<b>6.51</b>	<b>2</b>	<b>0.19</b>	<b>5.33</b>	<b>5</b>
<b>GROUP TOTAL INCL. DOCKWISE</b>	<b>0.11</b>	<b>57.70</b>	<b>31</b>	<b>0.26</b>	<b>50.69</b>	<b>65</b>

\* There were no fatal incidents affecting our staff in 2013.

\*\* For greater visibility the data are separately reported in 2013. Previously the data was included in the various associated operations.

# VERIFICATION STATEMENT

To the Stakeholders of Royal Boskalis Westminster N.V.

## Objectives

Bureau Veritas UK has been engaged by Royal Boskalis Westminster N.V. (Boskalis) to provide independent verification of its safety data reporting for inclusion in its 2013 CSR report (the Report).

The collation, calculation and reporting of the data is the sole responsibility of Boskalis. The objective of the verification is to provide assurance to Boskalis and its stakeholders over the accuracy and reliability of the reported data.

## Boundary & Scope

The reporting boundary for the safety data covers Boskalis's global operations, including the acquisition of the Dockwise business in 2013 and sub-contracted workers that fall under Boskalis's supervision, covering the period 1st January to 31st December 2013. The assurance focus is upon accuracy and reliability of selected information, the scope of which covered:

- Lost time incident data presented on pages 25-27 and 68-69 of the report
- reporting of ISO certifications for quality, health, safety and environment and of specific safety awards across the Boskalis group, as presented on pages 26 and 68 of the Report;
- alignment of the related safety data with the GRI G3.1 performance indicator LA7.

The scope of our work did not include information relating to activities outside the defined reporting period, statements of a descriptive/interpretative nature, or of opinion, belief, aspiration or commitment to undertake future actions.

## Methodology

The verification process included interviews with personnel with specific responsibilities for the management of data, document reviews, inspection of internal data collection processes, interrogation of databases and the sampling of safety and working hours' related data for the group.

The lost time incident (LTI) rate has been recorded by Boskalis using its own methodology, supported by an internal procedure that is rolled out across the organisation. Limited assurance was undertaken in accordance with Bureau Veritas' internal processes for the verification of non-financial performance data, in line with the ISAE3000 standard. Boskalis's methodology for data collection, estimation and aggregation was evaluated for effectiveness and reliability.

The LTI calculations are based upon estimated working hours data, the rationale for which was explained and accepted. Whilst sampling of data back to source was not always possible, there was unrestricted access to incident reporting on the SIRE system.

## Findings

Based on the verification conducted as per the above scope of work, we believe that the safety related data, as stated by Boskalis in its 2013 CSR Report, is reliable and does not contain significant error, material misstatement or bias.

Boskalis's reporting against the GRI's G3.1 LA7 indicator is a fair attempt to present the company's safety performance, and does so for lost time incidents, but excludes other specific reporting on rates for occupational diseases and absenteeism.

Further more detailed reporting, including areas of good practice and recommendations for improvement, is provided to Boskalis in a separate management report.

## Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company with more than 180 years' history, that specialises in certification and auditing services from public and customised schemes in the fields of quality, health, safety, environmental and security. Bureau Veritas has implemented a code of ethics across its business which ensures that all our staff maintains high standards in their day to day business activities. Bureau Veritas provides certification services to Boskalis for its quality, health, safety and environmental management systems to international ISO standards which we believe to be complimentary to this verification engagement. We are vigilant in the prevention of conflicts of interest and believe our verification did not raise any such conflicts.



**BUREAU  
VERITAS**

Bureau Veritas Netherlands  
March 2014

1. LA7: Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.

2. ISAE 3000: Assurance engagements other than audits / reviews of historical financial information, 2005.

# GLOSSARY

**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** Group net profit adjusted for depreciation, amortization and impairments.

**CO<sub>2</sub>** Carbon dioxide is an odorless and colorless gas and exists in the earth's atmosphere. Carbon dioxide is a greenhouse gas (source Wikipedia).

**CO<sub>2</sub> conversion** The conversion of fuel into carbon dioxide takes place according to ISO and ISM standards:

- Conversion of volume to weight takes place according to ISO specification 8217E using the following specific gravity per liter:
  - MGO/MDO 0.845kg
  - HFO 0.991kg.
- Conversion of MT of fuel to CO<sub>2</sub> takes place according to IMO Resolution MEPC.212(63) using the following conversion factor per MT of fuel:
  - MGO/MDO 3,206 MT CO<sub>2</sub>
  - HFO 3,114 MT CO<sub>2</sub>.

**Cutter suction dredger (CSD)** A vessel 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 sometimes loaded into hoppers but is generally pumped to land through a pressure pipeline.

**EBIT** Operating result as reported in the consolidated income statement.

**EBITDA** Operating result before depreciation, amortization and impairment losses.

**EuDA (European Dredging Association)** Non-profit industry association for European dredging companies and related organizations.

**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.

**GTL (Gas to Liquids)** A new, innovative synthetic fuel from Shell that helps to lower local emissions. GTL is colorless, almost odorless and virtually free of sulphur and aromatics. GTL has a high cetane number which means it burns much cleaner; this may help to reduce NO<sub>x</sub>, SO<sub>x</sub> and fine dust emissions compared to conventional diesel.

**HFO** Heavy Fuel Oil.

**IADC (International Association of Dredging Companies)** Global umbrella organization for private dredging contractors.

**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.

**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).

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

**MDO/MGO** Marine Diesel Oil/Marine Gas Oil.

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

**Trailing suction hopper dredger (TSHD)** 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.

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





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