

CSR REPORT 2011



CSR REPORT 2011



This report is a translation of the prevailing CSR Report in the Dutch language.

This report was produced carbon-free and printed on 100% recycled FSC-paper.

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



TABLE OF CONTENTS

4	CEO'S STATEMENT
8	WHO WE ARE
24	OUR SOCIAL PERFORMANCE
38	OUR SOCIETAL PERFORMANCE
44	OUR ENVIRONMENTAL PERFORMANCE
54	OUR ECONOMIC PERFORMANCE
56	APPENDIX

CEO'S STATEMENT

Dear reader,

At Boskalis sustainability forms an integral part of our corporate policy. As a world-leading expert in the field of dredging and maritime services we seek to ensure that the design and execution of the solutions we offer are as sustainable as possible. Since 2009 we – alone in our industry – have published an annual CSR report in which we provide our stakeholders with details of our performance in the area of sustainability. What you have before you is our 2011 report, in which we set out our CSR policy, report on our social, environmental, societal and economic results, and state our ambitions for the coming years.

CHAIN RESPONSIBILITY

Chain responsibility is a topic to which we took a targeted approach in 2011. In three 'Meet the Buyer' sessions we together with our main suppliers looked at how we can make our chain even more sustainable. One of the results was that a Suppliers Code of Conduct came into effect. In order to structure the internal dialog with our employees on sustainability, in 2011 we organized an initial meeting at which the NGO Stichting de Noordzee (the North Sea foundation) held a presentation on the importance of reducing emissions.



OUR SOCIAL PERFORMANCE

Our people are the decisive factor in the success of our business and their commitment is very important to us. The integration with SMIT is presenting new perspectives to our people. The integration process, that we are carrying out in close consultation with the Works Council, is progressing well. We are increasingly acting in tandem on the market, with very successful results. Where possible our corporate staff are already working together as one team. At the end of 2011 the Netherlands based office and shore staff of SMIT joined the Boskalis workforce through a Transfer of Undertaking and became members of the Boskalis pension fund. At the end of 2011 we also started preparing for the second stage of the integration, during which we want to establish the best possible organization, to enable us to cater to all segment and clients with maximum efficiency and effectiveness. Stage 2 of the integration, including the physical integration of the SMIT office into the Boskalis head office, will be completed in 2012.

We achieved an excellent result with our *NINA (No Injuries No Accidents)* safety program in 2011. Through *NINA* we are building a culture in which safety can be discussed openly by all employees, regardless of their position. This is reflected in the growing number of preventive reports which enable us to take quicker and more effective action to prevent unsafe situations. It is also reflected in our safety performance: the Lost Time Injury Frequency (LTIF) figure showed a further decline from 0.7 (in 2010) to 0.3 per 200,000 hours worked in 2011. Whilst we are positive about this development, we are still not satisfied. Our objective remains: '*No Injuries No Accidents*'.

OUR ENVIRONMENTAL PERFORMANCE

In our corporate business plan for 2011-2013 we stated our wish to clearly position ourselves as a partner in the high-end market segment, with clients bringing us in early, as a partner in the design phase, to help engineer complex maritime solutions. Especially at this early design change, our environmental expertise allows us to provide the greatest added value, allowing us to contribute towards the sustainable management and development of densely populated river, delta and coastal regions around the world. Through our close involvement with the *Building with Nature* innovation program we demonstrate that it is possible to develop hydraulic engineering projects and at the same time create opportunities which benefit nature. In 2011 the first tangible results from this program were put into practice, including the Sand Motor, a new and innovative way of maintaining the Dutch coastline. We will take a closer look at this in the 'Our environmental performance' section.

In our CSR report we also disclose the carbon dioxide emissions of our fleet and office organizations. In 2011 we worked hard to optimize our CO₂ reporting systems. We are striving to establish a uniform industry standard before we formulate quantitative targets. Given the complex nature of this process, that could still be several years away.

In 2011 we made further investments in resources and equipment that have a positive effect on our impact on the environment. They included the installation of a weather routing program on 20 of our largest ships to enable them to determine the best sailing route at all times. This can reduce both voyage times and carbon emissions. In 2011 we also, both independently and in conjunction with our industry peers and suppliers, continued our research into cleaner, more efficient engines and cleaner fuel.

OUR SOCIETAL PERFORMANCE

Our contribution to society primarily ensues from the maritime projects and services we provide. But we do more. Where possible we hire local staff, involve local subcontractors, and source goods and services from local suppliers. We also encourage our employees to contribute to the wellbeing of the local community. For example, in 2011 our employees spent the safety bonuses awarded to us by clients on local welfare initiatives, while our organization in Nigeria supported the malaria prevention campaign of the NGO Family Care Association.

AMBITIONS

This CSR report gives a transparent overview of what we have achieved in relation to our objectives. Compared to 2010 we have taken steps towards broader reporting as well as full inclusion of the SMIT activities. Next year we also intend to include the activities of MNO Vervat, the civil infrastructure firm we acquired at the end of 2011.

Following on from the 'Meet the Buyer' sessions in 2011, in 2012 we will hold one-on-one talks with a number of our suppliers in a bid to further translate into practice and anchor the developments we discussed. We will also organize further sustainability sessions for our staff.

In order to give the reporting the weight it deserves, in 2011 we optimized our internal reporting and systems. In doing so we have laid a good foundation for moving towards the GRI B level in the next few years.

We hope that this report gives you a good insight into the CSR developments within our company. We appreciate any suggestions you may have for improving our CSR policy and our reporting on it, and will be happy to engage in dialog with you on this subject.

On behalf of the Board of Management



Peter Berdowski

ENVIRONMENTAL AND SAFETY AWARDS ON THE GORGON PROJECT, AUSTRALIA

The Gorgon Project in Australia is one of Boskalis' largest and most complicated projects. Boskalis is responsible for the design and construction of a large LNG port at Barrow Island, 50 kilometers off the coast of Western Australia. The project involves numerous challenges, not just in terms of technology and logistics but also with regard to safety and the environment.



'IN APRIL 2011 CHEVRON PRESENTED OUR TEAM WITH THE ENVIRONMENTAL EXCELLENCE AWARD'

In addition to the construction of the LNG port the project involves creating a material offloading facility, 200 meters of quay walls, several mooring dolphins and a roll-on/roll-off facility. Boskalis was also assigned the logistical and project management responsibility for part of the basic infrastructure.

ENVIRONMENT

A priority on this project is the protection of the characteristic native animal and plant life on and around Barrow Island. The work was carried out under an extensive set of environmental requirements, ranging from the use of biodegradable hydraulic oil and waste separation, to stringent quarantine requirements. Anyone travelling to Barrow Island by air or sea was subject to strict checks to prevent non-native plant and animal species from being introduced to the island. For example, all vessels must have their hulls thoroughly cleaned, in many cases in dry dock. Every last piece of dry equipment is brought to a specially designated, demarcated area where it is taken apart and checked for the presence of any seeds, substances and small creatures. Boskalis has trained its own multidisciplinary inspection team, including biologists, to carry out these inspections.

In April 2011 Chevron presented our team with the 'Environmental Excellence Award' in recognition of their observations of animal life, compliance with the terms of the Environmental Management Plan, employee awareness and the implementation of mitigating measures.

SAFETY

Client Chevron is known for its stringent safety measures and – just like Boskalis – Chevron insists on strict incident reporting. However, the company was somewhat surprised by the degree to which Boskalis complied with this. "It seemed as if we were having a huge number of incidents, but we reported simply everything," said Marine works manager Anne Jan Fokkema. "We explained to Chevron that it is not the figure we care about, but about what is behind each incident. Because we want to learn from it." It is worth noting in this context that any action undertaken tends to stem from inspections rather than from incidents. Dredging works manager Frank Duijnhouwer: "It demonstrates our pro-active approach to safety." And the client sees it too, according to Anne Jan Fokkema: "They value our approach. They know they can trust us."

The number of serious incidents on the Gorgon Project stands at zero; with over 2,600,000 man-hours worked, there has not been a single incident resulting in absence from work. Chevron awarded a 'Certificate of Appreciation' in recognition of this.

LIVING AND WORKING AT SEA

One of the most remarkable aspects of the Gorgon Project is that everything takes place at sea: working and living. Apart from an airport Barrow Island has no other facilities. This means that all the staff – at the height of the project as many as 550 people – had to be housed on the accommodation vessel Finnmarken. Every day large quantities of food had to be delivered to the vessel - quite a logistical challenge, which was pieced together by the logistics department in the port town of Dampier.

It also meant that hundreds of employees had to be ferried to and from work every day by ship. Given that embarkation and transferring between vessels carries well-known risks, much attention was paid to this during the preparation. A number of smaller boats used for crew changes underwent technical modifications to make transfers as safe as possible. This remained a recurring item at the so-called toolbox meetings. And it paid off: around 450,000 safe transfers have been made during the course of the project.

CYCLONES

The frequent cyclones in the region are a complicating factor and constant contact is maintained with the Australian meteorological institutes. Frank Duijnhouwer: "If the weather conditions force us to do so, all activities are halted. All vessels and other equipment are demobilized to a sheltered location at Dampier, around 80 nautical miles east of the project. Responsibility for coordinating this large-scale operation is shared with our colleagues at SMIT, who see to it that all the equipment is properly anchored to weather the storm. We were demobilized 12 times during the last cyclone season (2010-2011). Sometimes it lasted a few days, sometimes more than two weeks."

Attached to this CSR report is a booklet in which our people testify how they experienced living and working at sea.



WHO WE ARE

10 PROFILE AND SERVICES

12 MISSION, STRATEGY AND POLICY

14 OUR STAKEHOLDERS

16 OUR VALUE CHAIN

**20 ORGANIZATION, CORPORATE
GOVERNANCE AND INTEGRITY**

PROFILE AND SERVICES

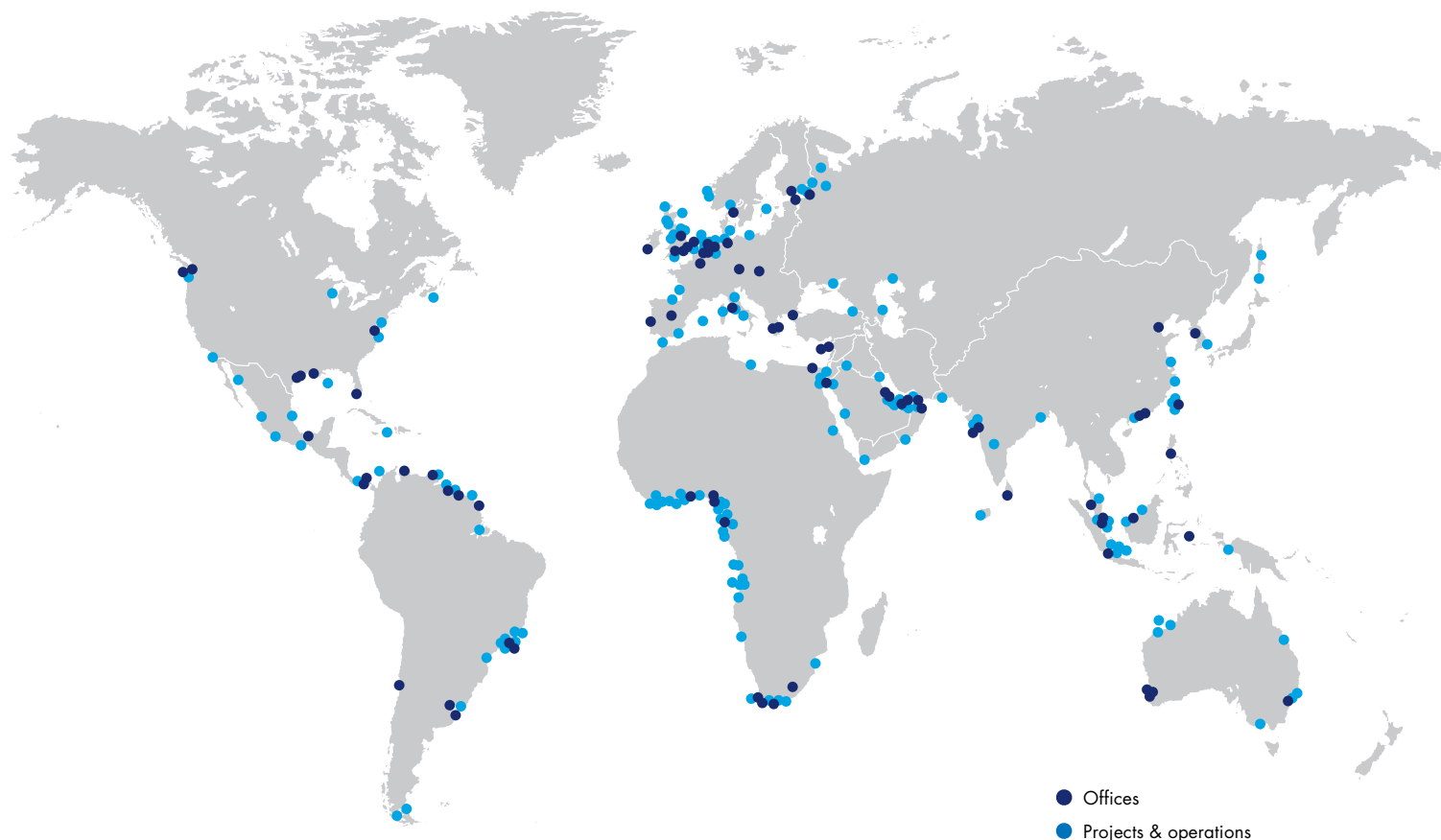
Boskalis is a leading global expert in the field of dredging and maritime services.



As a partner Royal Boskalis Westminster (Boskalis) has the capability to realize complex infrastructural works for our clients within the chain of design, project management and execution, even at vulnerable or remote locations around the world. We aim to design and realize our solutions in the most sustainable way. In addition to our infrastructural activities we offer a broad range of maritime services through SMIT, including harbour towage, salvage, transport and heavy lift. Terminal services are provided through the new combination Smit Lamnalco, which was established in 2011 and in which we hold a 50% stake. Maritime infrastructure services are provided through our strategic partnership with Archirodon, in which we hold a 40% stake. With the acquisition of MNO Vervat in 2011 Boskalis added civil infrastructure capabilities to its ranks forming an excellent addition to our infrastructure and earth-moving activities. For a detailed description of our services please refer to page 11 of our Annual Report.

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 six geographic regions which have the highest growth expectations for the energy and port 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 excellent prospects for balanced and sustained growth. Our main clients are oil companies, port operators, governments, shipping companies, international project developers, insurance companies and mining firms.

Boskalis has around 14,000 employees, including our share in partner companies such as Smit Lamnalco and Archirodon. The safety of our own employees and those of our subcontractors is paramount. Boskalis has a progressive 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 over 1,100 vessels and equipment. Our head office is based in the Dutch city of Papendrecht.



DREDGING

- design, construction, expansion and maintenance of (LNG) ports and waterways
- offshore services such as pipeline/cable/platform intervention
- land reclamation
- coastal defense and riverbank protection



TRANSPORT & HEAVY LIFT

- engineering, transport, installation, decommissioning, chartering services
- for the civil and (renewable) energy markets



SALVAGE

- emergency response (OPA-90)
- wreck removal
- environmental care



HARBOUR TOWAGE

- berthing & unberthing of seagoing vessels
- related maritime services



TERMINALS

- towage and related services
- for offshore and onshore oil & gas terminals



INFRASTRUCTURE

- remediation and soil improvement services
- construction of roads, tunnels, dams and bridges
- construction of water purification plants, power stations and desalination plants

MISSION, STRATEGY AND POLICY

MISSION

Boskalis is a leading services provider in the field of innovative and competitive all-round solutions to infrastructure challenges in the maritime, coastal and delta regions of the world. We aim to design and realize our solutions in the most sustainable way, with safety being given top priority.

STRATEGY

Our corporate strategy is focused on growth. In doing so we seek 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.

For a detailed description of our corporate strategy please refer to pages 12-16 of our Annual Report.

POLICY

Our CSR policy focuses on the following key areas because these are where our impact on people, the environment and on society in general is greatest.

- Our [social performance](#) is mainly concerned with our employees and our efforts to promote their safety, self-development opportunities and wellbeing.
- Our [societal performance](#) is expressed in contributions to local communities, investment in education, research and knowledge transfer, and social sponsorship and donations.
- Our [environmental performance](#) is mainly concerned with limiting and preventing a negative impact on the environment, and involves us focusing on the further expansion of our environmental expertise, the provision of eco-dynamic designs and the ongoing investment in and use of environmentally friendly equipment.
- Our [economic performance](#) is aimed at the continuity and maintaining of our leading position in our industry and value creation for our stakeholders.

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



Xbloks are used for shore protection at the Gorgon Project in Australia. Their construction fits very well in the marine environment as the structure and high porosity provides an excellent habitat for different kinds of marine fauna and flora.

CSR PERFORMANCE KEY FIGURES	2011	2010
SOCIAL PERFORMANCE		
Workforce training/development hours	165,446	65,954
Number of staff with NINA safety training	518	1,000
LTIF at Boskalis	0.3	0.7
LTIF at SMIT	0.4	n.a.
LTIF at Lamnalco	0.03	0.03
SOCIETAL PERFORMANCE		
Number of interns, graduates and doctorate students supervised	64	81
ENVIRONMENTAL PERFORMANCE		
CO ₂ emissions in metric tonnes (see page 52 for explanation)	1,015	750.6
ECONOMIC PERFORMANCE* (IN EUR 1 MILLION)		
Revenue	2,801	2,674
Order book	3,489	3,248
Operating profit	354	402
EBITDA	591	622
Net profit	254	311
RESULTS PER SHARE (IN EUR)		
Profit	2.48	3.11
Dividend	1.24	1.24
Cash flow	4.86	5.30

OUR STAKEHOLDERS

It is important to Boskalis to have a good, transparent relationship with its stakeholders.

Our stakeholders are:

- Employees
- Clients
- Investors and shareholders
- Suppliers and subcontractors
- Educational and knowledge institutes
- Local communities
- Society and industry organizations, including NGOs





DIALOG

The dialog we engage in with our stakeholders is formal and structured for some stakeholders and more informal for others. These meetings give us a clear picture of the interests and information requirement of our stakeholders.

The purpose of our dialog is to establish mutual awareness and understanding. In addition we want to find out how we can arrive at sustainable innovations within our chain.

In order to provide more structure to the internal dialog with our employees about sustainability, in 2011 we organized an initial meeting for them on the subject. The NGO Stichting de Noordzee (the North Sea foundation) held a presentation on the importance of reducing emissions, which was followed by a lively discussion. The meeting attracted a great deal of interest.

In addition to communicating with our employees through staff magazines and safety publications and consulting with them through the works councils, we also maintain close contacts with our clients and suppliers (also see the 'Value Chain' paragraph in this section which explains about the 'Meet the Buyer' sessions). We hold regular consultations with our shareholders and investors (see the Investor Relations section on pages 18-19 of our Annual Report).

We also take part in regular consultations with the relevant Society and industry organizations, such as the European Dredging Association (EUDA), the International Association of Dredging Companies (IADC) and the International Maritime Organisation (IMO).

Boskalis has a long tradition of sharing knowledge, both individually and at a sector level, with knowledge institutes and universities and conducting (fundamental) research. We also consult with NGOs, for example in 2011 with the aforementioned Stichting de Noordzee and with the Family Care Association in Nigeria. We work with the latter organization to support a malaria prevention program in Nigeria and in doing so make a contribution to the local community. You can read more about this on page 42 of this report.

OUR VALUE CHAIN

In our value chain we distinguish three groups: downstream – our clients; upstream – our suppliers; and our support services.

OUR CLIENTS

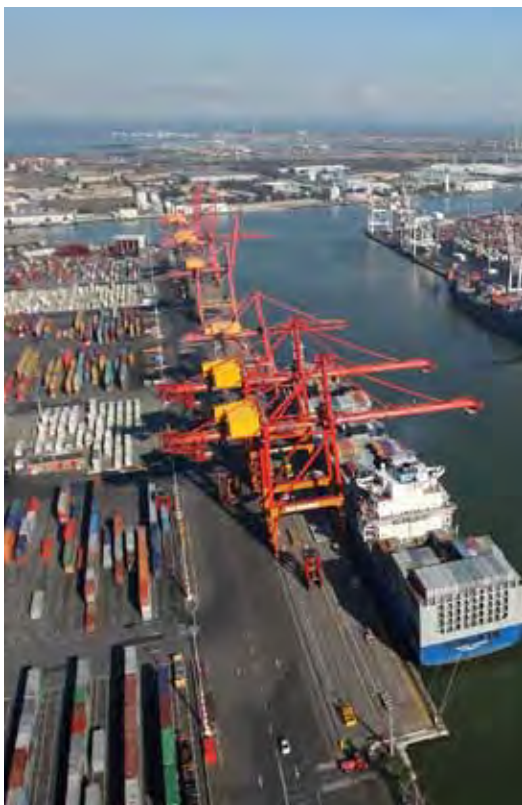
Boskalis operates around the globe in the Energy, Ports and Infrastructure markets. In these markets we are dealing with several client groups, the most important being oil and gas companies, port operators, governments, shipping companies, EPC contractors, international project developers, insurance companies and mining firms. For a description of our main sales markets and focus areas please refer to pages 10-16 of our Annual Report.

OUR RESPONSIBILITY

We want to provide our clients with high-quality services and products which are as sustainable as possible. We seek to execute our contracts according to the highest standards, at a competitive market price and within the agreed timeframe for delivery.

DIALOG AND COOPERATION

In the course of ongoing questions and contracts we maintain regular contact with our clients. Furthermore, in 2010/2011 we carried out a global review of the relevant trends and developments in our markets. We visited dozens of our clients around the world to sound them out about their vision on the market and their specific needs. This resulted in a new corporate business plan for 2011-2013 and a refined corporate strategy (please refer to pages 12-16 of our 2011 Annual Report). One of the aspects to emerge from this is that Early Contractor Involvement is becoming increasingly important to a growing group of clients. By operating as a contract partner we are able to work with the client to achieve the best possible and most sustainable solution (see also elsewhere in this section). We wish to clearly position ourselves in this segment.



OUR SUPPLIERS AND SUBCONTRACTORS

Our main suppliers are in the procurement domain, including general procurement, machinery and hydraulics, electrical and survey, spare parts and construction parts, and facilities. Our suppliers also include shipyards and global agencies that handle the hiring of temporary crew members for our ships.

OUR RESPONSIBILITY

We aim for long-term, stable relationships with our suppliers and subcontractors. We make reasonable demands, are open and reliable and see to it that payments are made on time and in line with the market.

DIALOG AND COOPERATION

We exchange ideas at corporate level and pool innovations with a number of suppliers with the aim of jointly creating and further expanding a sustainable value chain.

As part of our chain responsibility in 2011 we invited a selection of our most important corporate suppliers to three sessions aimed at structurally expanding the dialog on sustainability. You can read more about this on pages 22-23 of this report.

One of the results of this dialog was a Suppliers Code of Conduct for our suppliers (see our corporate website*). In it we emphasize that we want to do business with parties that can offer us high-quality, sustainable products and services and can advise us on these. Periodic audits of selected suppliers to verify compliance is also covered in the Suppliers Code of Conduct.

SUPPORT SERVICES

For information about our support services please refer to the page numbers given in the infographic on the next page.

* www.boskalis.com > about us > downloads > corporate downloads > sustainability



IMPACT IN THE CHAIN ON PEOPLE, THE ENVIRONMENT AND SOCIETY IN GENERAL

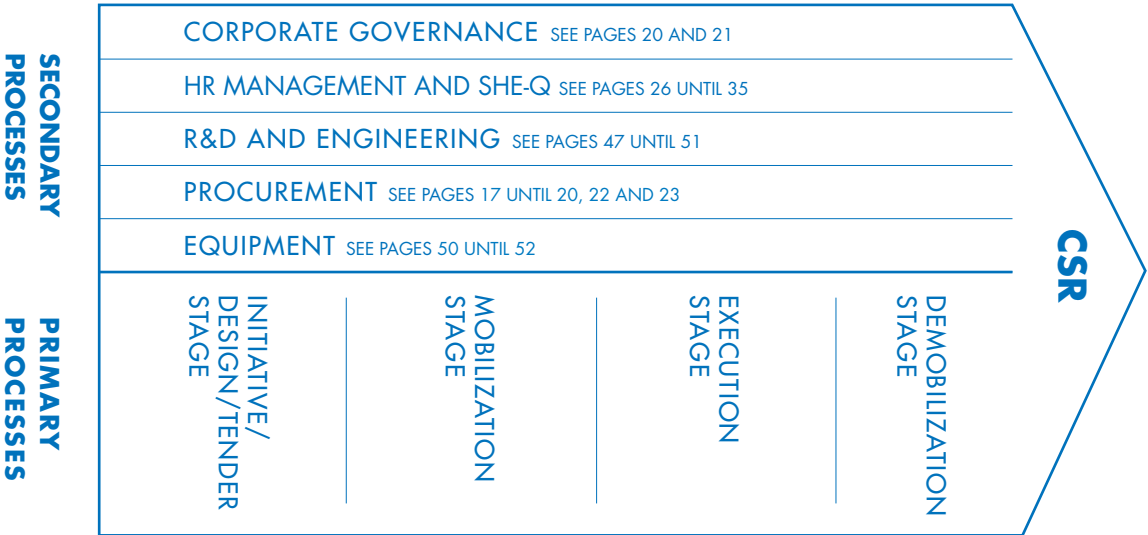
We use Porter’s value chain for describing our impact on people, the environment and society in general (see infographic below). In the primary processes we distinguish three stages which apply to all our services: the initiative/design/tender stage; the execution stage; and the mobilization & demobilization stage. Our impact on people, the environment and society at each of these stages is set out below.

INITIATIVE/DESIGN/TENDER STAGE

At this stage we are able to influence our impact on people, the environment and society in general through our Dredging & Earthmoving and Transport & Heavy Lift services and wreck removal by Salvage. By involving us at an early stage (‘Early Contractor Involvement’) clients can work with us to engineer a sustainable solution and select working methods that are best suited to the environmental requirements. We are also able to set up a program to provide information to the local community. In addition we seek to minimize inconvenience to both regular shipping traffic and the fishing industry. We also pay extensive attention to safe working conditions at this stage. In Dredging & Earthmoving we also draw the customer’s attention to the best practices under the *Building with Nature* program (please refer to pages 48-49 of this report). The essence of this program is for the design to balance the economic, social and ecological interests of the infrastructure project.

EXECUTION STAGE

The physical impact on people, the environment and society is greatest during the execution of our activities. The safety and wellbeing of our own staff and of the people working with us are always our top priority. We provide good accommodation and recreational facilities on board or on shore, and provide information on the prevention of diseases such as AIDS and malaria.



We seek to make a positive contribution to the local community through our activities wherever we can.

Where possible we hire local staff on our projects. In the regions where we have a virtually permanent presence, the proportion of local staff tends to be high. Where possible we involve local subcontractors, and source goods and services from local suppliers. Apart from this we seek to keep the local community as up to date as we can with regard to the project's progress. We are open to questions and comments.

Our ships produce emissions and turbidity. Turbidity is caused by the seabed being churned up during dredging activities, which results in a temporary reduction in the incidence of light in the water due to suspended particles. This temporary process can be harmful to underwater animal and plant life. By using environmentally friendly working methods and techniques, advanced projection and monitoring techniques, specially designed equipment and cleaner fuel and engines we seek to minimize or mitigate the negative impact on nature and the environment. (For more information please refer to the 'Our environmental performance' section in this report.)

Our harbour towage and terminal services involve the escorting, berthing and unberthing of ocean-going ships in ports, and of oil and LNG tankers at loading and unloading facilities. The

environmental impact of these activities consists of the emissions produced by the tugboats. Wherever possible SMIT and Smit Lamnalco tugboats use shore-side power during rest periods and are powered by low-sulphur marine gas oil. SMIT contributes both to safety and a cleaner environment through its wreck removal and salvage activities. The main priority for salvage operations – after the saving or protection of human lives – is to avert environmental damage by preventing fuel or hazardous cargoes from contaminating the environment.

MOBILIZATION AND DEMOBILIZATION STAGE

At this stage our impact on the environment is particularly relevant and is greatest on projects. Projects involve the deployment of equipment that sometimes has to be mobilized over great distances (for example from Europe to South America). After completion of the project the equipment has to be demobilized again. For terminal and towage services, which tend to be of a local and permanent nature, mobilization of equipment applies only at the start of a contract; after that our staff and the equipment stay on location for relatively long periods of time. Our logistical operation on projects is aimed at deploying floating equipment with extreme efficiency, for example by using weather routing programs. This allows us to reduce fuel consumption and the associated burden on the environment, enhance safety and at the same time reduce costs.



ORGANIZATION, CORPORATE GOVERNANCE AND INTEGRITY

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 results and entrepreneurial aspects relevant to the business. The Board of Management is accountable to the Supervisory Board and the General Meeting of Shareholders. The Supervisory Board is responsible for supervising management performance and also provides the Board of Management with advice. Together the Board of Management and the Supervisory Board are responsible for looking after the interests of our stakeholders.

For a detailed description of our corporate governance policy, our risk management and our organization please refer to pages 24-28, 49-55 and 126-134 of our 2011 Annual Report and our corporate website*.



GENERAL BUSINESS PRINCIPLES

Boskalis accepts responsibility for matters which lie within its sphere of influence.

In the countries where Boskalis operates, national legislation and regulations apply. Boskalis refrains from cultural judgements and conducts itself as a good citizen or guest.

Boskalis does not get involved in national politics and refrains from offering opinions on political issues, which we consider to be the province of the national government. Boskalis does not do business in countries subject to international and relevant national embargoes.

We have a Statement of General Business Principles in which we account for matters including our social, societal, environmental and economic policy, which is explained in greater detail in the sections on our performance. The full text of our Statement of General Business Principles can be found on our corporate website**.

The Board of Management reviews the content of the Statement of General Business Principles at least once every two years.

It did so most recently at the beginning of 2012.

The statement sets out:

- Our commitment to society
- Our commitment and responsibility towards the environment
- Our responsibilities towards staff
- Our focus on quality assurance
- Our conduct towards clients
- Our commitment to investors
- Our conduct towards suppliers

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.

INDEPENDENT CONFIDENTIAL COUNSELLOR

We give our employees the opportunity to report any alleged irregularities of a general, operational or financial nature to an independent confidential counsellor, without jeopardizing their legal position.

* www.boskalis.com > about us > company profile > organization > organizational structure
www.boskalis.com > about us > downloads > corporate downloads > corporate governance

** www.boskalis.com > about us > downloads > corporate downloads > sustainability



'MEET THE BUYER' SESSIONS: DIALOG AND COOPERATION IN THE CHAIN

As part of our chain responsibility in 2011 we invited a selection of our most important suppliers to structurally expand the dialog on sustainability during a series of three sessions.

In three sessions, each with five different suppliers, we exchanged information about the way in which sustainability is incorporated in the business throughout the chain. The discussion groups were composed like a virtual chain: from suppliers of paint, fuels and lubricants to suppliers of (pneumatic and hydraulic) parts and engines for our ships. The aim was to bring parties into contact with each other at the table as well. One of the sessions was wholly dedicated to our internal support services. Our suppliers complimented us on this completely new approach and on the openness displayed during the sessions.

The nature of the sessions was transparent and challenging; on the one hand there was room to learn from one another and on the other critical discussions were held about the sustainability of our value chain. All the suppliers contributed to building us a picture of what the information requirement is with regard to sustainability. A number of themes were recurrent with various partners, such as what is needed for a transition towards the use of new fuels (LNG, biofuels). Cooperation in the chain would appear essential for this to succeed. We were also given practical tips and guidance on how we can do our work even more sustainably. Various sustainable initiatives were discussed: new technical solutions, alternative energy sources and better sustainable cooperation. This has made us more critical - towards ourselves but also towards our suppliers.

There will be a follow-up to these dialogs. For example, in 2012 we plan to hold one-on-one talks with our suppliers aimed at further implementing and anchoring our CSR developments. By continuing to get together, challenge one another and be critical we believe we can together make the chain even more sustainable.

'BY CONTINUING
TO GET TOGETHER,
CHALLENGE ONE
ANOTHER AND BE
CRITICAL WE BELIEVE
WE CAN TOGETHER
MAKE THE CHAIN EVEN
MORE SUSTAINABLE'

SESSION 1

Allard Europe – General Manager

PON (Caterpillar) – Sales Manager Dredging and KAM manager

Exxon Mobil – Benelux Public Affairs Manager, Marine Cluster Manager Central Europe and Territory Manager Benelux

Bosch Rexroth – Cluster Manager Marine & Offshore and Head of Coordination Environment, Health & Safety

PPG Sigma Coatings – Global Specialist Regulatory Affairs PMC



SESSION 2

Wärtsilä – Senior Account Manager and Area Project & Environmental Sales Support Manager

Shell – Sales Team Leader Benelux Lubricants, Account Manager and Manager Environmental Affairs Netherlands

GEA Westfalia Separatoren – Managing Director and Senior Sales Engineer Services

International Paint – Sales Manager Benelux and General Manager Marine Coatings

Trelleborg – Business Development Director



SESSION 3

HENK Grafimedia – Director and Sales Director

KPN – Client Manager and CSR Manager

Eriks Econosto Wielens – Director and Senior Business Development & CSR Manager

ES Elektro – Branch Manager and Regional Director

KLM – Key Account Manager and Manager Environmental Strategy

CWS – Contract Manager and Market Development Manager Benelux





OUR SOCIAL PERFORMANCE

26 **POLICY**

28 **OBJECTIVES**

34 **WORKFORCE PROFILE**

POLICY

Our people are the decisive factor in the success of our business and their commitment is essential to us in maintaining our leading market position.

On board the fallpipe vessel Rockpiper, during construction. The picture is taken in the fallpipe tower and shows a part of the fallpipe with the ROV (Remoted Operated Vehicle) at the end, in the 'moonpool', the open space in the vessel through which the ROV and fallpipe are launched.

As a globally operating company we employ around 14,000 people of 85 different nationalities. We strive to pursue a personnel policy which makes the best possible use of each person's skills and which encourages personal development. Creating a climate of motivation, pleasure in work and involvement is important for attracting and retaining motivated staff. Good and competitive terms of employment and safe and healthy working conditions are a given for us. Our Statement of General Business Principles* provides employees with the handles and scope for reporting any misconduct.

INTEGRATION OF BOSKALIS AND SMIT

The arrival of SMIT has enabled us to further build on our reputation as an attractive international employer. Together we are two strong brands in the employment market. We can give professional people interesting work in a professional company that is now able to offer an even greater variety of positions. Both nationally and internationally there are ample opportunities for personal and career development.

RECRUITMENT

In order to access talented and qualified staff in the future we maintain good relationships with various knowledge institutions. We are also constantly broadening our presence online and through social media. All the information about working for Boskalis can be found on our corporate website (www.boskalis.com > careers).

* www.boskalis.com > about us > downloads > corporate downloads > sustainability



OBJECTIVES

Promoting the safety, personal development opportunities and well-being of our people are our primary social objectives.

SAFETY

The safety of our own employees and those of our subcontractors is our top priority. Boskalis has a progressive safety program which is held in high regard in the industry and by our clients. Our central safety objective is 'No Injuries No Accidents': *NINA*. Which is why we chose this as the name of our safety program, which was introduced in a large-scale internal campaign in 2010.

SAFETY CULTURE

Through *NINA* we are working on structurally taking safety to the next level. What makes *NINA* special is that it aims to bring about a culture change. Whereas SHE-Q (Safety, Health, Environment and Quality) tends to focus more on following procedures, *NINA* requires commitment from within. Or, put simply, *NINA* is not about 'we have to' but about 'we want to'. To achieve this the program holds each employee personally responsible for their own contribution to safety. *NINA* rests on five personal values, all phrased in the 'I' form. Together they ensure that safety can be discussed openly by all employees, regardless of their position. The values are underpinned by five short and sharply worded rules to help prevent incidents.

NINA was introduced to the organization in mid-2010, as described in detail in our 2010 CSR report. In July 2011 '1 year *NINA*' celebrations were held across the organization – at head office, on the projects and on board our ships. At the head office Peter Berdowski gave his views on '1 year *NINA*'. In short: *NINA* lives and breathes, *NINA* inspires and *NINA* breaks down barriers. In the space of a year we were able to achieve a clear and very positive development in how safety is perceived.

This was preceded by a session with the senior management to mark '1 year *NINA*'. The session looked at what we have achieved and where there are points for attention and opportunities for development. The conclusion was that a lot has been achieved, that *NINA* contributes to openness in the organization and brings both the various business units and the management and the employees closer together. All those present reconfirmed the management commitment to the further development of *NINA*.

TRAINING

With the implementation of *NINA* starting in 2010, the associated training program was also launched. In 2011 over 500 managers attended a training course focusing on the role of the manager in *NINA* and translating this into everyday practice. Since 2010 over 1,500 managers from within the organization as well as from subcontractors have followed a *NINA* training course.

In addition dozens of *NINA* workshops have been held for staff on board of ships, on projects and from the corporate staff departments.

NINA AT SMIT

In 2011 we made the preparations for rolling out both the safety policy according to the *NINA* principles and the quality policy to SMIT. Various workshops were organized with the management teams of the business units in the Netherlands and Singapore to assess feasibility. The harmonization of the policy will be introduced in stages with the initial focus on SMIT's project-oriented business units.

Partly in the context of the integration around 60 SHE-Q managers, specialists and representatives of Boskalis and SMIT from five continents attended the three-day internal SHE-Q conference, which was based around the theme 'Sharing Intelligence'. The objectives were networking, knowledge-sharing and discussion of developments in the business and the SHE-Q policy. Away from the integration process, safety is high on the agenda at both SMIT and Lamnalco.

SAFETY PERFORMANCE

Reporting, recording and following up on incidents is very important to us. Safety has always been a spearhead of our policy. This is evidenced by the steady downward trend in LTIF – the figure that expresses the number of incidents resulting in absence from work for every 200,000 hours worked – over the past few years. In 2011 there was a remarkable continuation of this trend, with LTIF falling from 0.67 in 2010 to 0.3 – a decline of 55%.

For SMIT and Lamnalco LTIF is still reported on separately. In 2011 the figure for SMIT was 0.42 and for Lamnalco an exceedingly low 0.03. A summary of the LTIF figures can be found in the appendix.

Comprehensive incident reporting can be used to make changes to structurally prevent future risks. At both business units safety enhancement is the topic of a wide range of 'Lessons Learned' sessions, training courses and communications.

In addition to the aforementioned sharp downward trend in LTIF 2011 saw the wider introduction of so-called 'Safety Hazard Observation Cards' (SHOCs), which employees can use to report dangerous situations. The number of SHOC reports has risen sharply, from 1,800 in 2010 to 4,900 in 2011. 'Near miss' reporting also increased, to over 300 occurrences in 2011.

NINA encourages reporting on such situations to allow pro-active adjustments to be made. We are now seeing strong growth in both areas. Given that both the SHOCs and the 'Near misses' can be seen as a measure of the proactive perception of safety within the organization, this is clearly a reflection of a more open safety culture.

Accident analyses: annual accident analyses help us to further increase safety. The analyses show that in 2011, as in previous years, over 75% of accidents were caused by

- falling, tripping and slipping
- being hit by an object
- getting jammed.

Certification: certification shows that we comply with recognized safety standards. Boskalis is certified according to ISM, ISO 9001, ISO 14001 and OHSAS 18001 or VCA for our Dutch companies. Various sections of SMIT and Lamnalco are also certified. For a list of the various certificates we hold, please refer to the appendix.

Awards: in 2011 Boskalis received various safety awards. A list is included in the appendix.

TRANSPARENCY

NINA certainly has a unifying effect; the distance between employees, and between the management and the work floor, has diminished. Employees find it increasingly easy to approach one another about their responsibility for their own safety and that of their colleagues. The organization has become more open, which means that NINA also contributes towards transparency. We are proud of what we achieved in 2011. The challenge for 2012 is to embed our safety standard even deeper into the organization and to introduce it in the safety requirements we set for subcontractors.



SAFETY STATEMENT

Our people are our most valuable assets, making safety a core value. Our goal is: No Injuries No Accidents. This is embedded in our company's culture and supported through Values and Rules. All employees, including our sub-contractors, are expected to take these values and rules to heart.

VALUES	RULES
<p>I AM RESPONSIBLE FOR MY OWN SAFETY</p> <p>I APPROACH OTHERS ABOUT WORKING SAFELY</p> <p>I TAKE ACTION IN CASE OF UNSAFE OPERATIONS IF NECESSARY, I WILL STOP THE WORK</p> <p>I ACCEPT FEEDBACK ABOUT MY SAFETY BEHAVIOUR REGARDLESS OF RANK AND POSITION</p> <p>I REPORT ALL INCIDENTS, INCLUDING NEAR-MISSES, TO INFORM OTHERS AND BUILD ON LESSONS LEARNED</p>	<p>PREPARE A RISK ASSESSMENT FOR EACH PROJECT, VESSEL OR LOCATION</p> <p>OBTAIN A PERMIT TO WORK FOR DEFINED HIGH-RISK ACTIVITIES</p> <p>MAKE A JOB HAZARD ANALYSIS FOR HAZARDOUS NON-ROUTINE ACTIVITIES</p> <p>BE INFORMED ABOUT RISK & CONTROL MEASURES</p> <p>BE FIT FOR DUTY AND WEAR THE PPE REQUIRED</p>

WWW.BOSKALIS-NINA.COM





PERSONAL DEVELOPMENT

Boskalis offers its staff ample opportunities for personal development. We have good reasons for this. The range of infrastructure activities and maritime services offered by Boskalis continues to broaden, partly as a result of the integration with SMIT. In addition, our role is changing and increasingly we are becoming a partner to our clients and the companies we cooperate with. The skills and expertise of our staff must be in tune with this. Our extensive training programs, in which we lead our sector, help them to develop the right skills for further growth. Periodic career development and performance reviews are held with employees.

All our instruction and training courses are based on the 'action learning' principle: new knowledge is put straight into practice. But actual practice is also brought into the training process, with real-life cases from the work situation being used as training material. In addition we make as much use as possible of the knowledge present within our own organization: experts from our own organization contribute to training programs, for example by giving all or part of the training or through internal coaching of one of the participants. An increasingly important side effect of our training programs is expanding the internal network of the participants. We try to encourage this by structuring training programs in such a way that connecting with other disciplines is an integral part.



STAFF TRAINING & DEVELOPMENT

The training programs and knowledge exchanges in 2011 revolved around the integration with SMIT and the joint development of skills. Many courses were attended by a mixed Boskalis/SMIT group of participants. We focused on a broadening and strengthening of management skills, contractual knowledge and commercial skills, partly through the new courses *Tender coordination* and *Engineer Management* (11 participants) but also through the existing *International Contracting Management Course* (24 participants) held by the TiasNimbas business school. Our *Boskalis Leadership Development Program* (BLDP) was another example of successful integration in action in 2011. Twenty senior managers from Boskalis and SMIT took part in this course, whose agenda revolved around personal development, teambuilding and internal networking. By working together on assignments with a shared interest the participants were able to experience the similarities in their jobs and feel a greater connection. Also see pages 36-37 in this section. The recently launched *Finance Development Course* for project controllers and finance managers (14 participants) is another

example of an integrated training program for employees of Boskalis and SMIT.

KNOWLEDGE EXCHANGE

In addition to training and development we consider mutual knowledge exchange to be an important path for development. Initiatives in 2011 included two knowledge exchange days organized for employees and project managers of Boskalis and SMIT Transport, Heavy Lift and Salvage. We want to do more of this in the coming years. The *Salvage Seminar* organized during the year for the fleet management departments of both organizations is another example of an initiative centered around knowledge exchange.

In addition our involvement in the *Building with Nature* program gives rise to an intensive exchange of knowledge in the area of engineering and design with other companies, various knowledge institutes and university partners. This allows our people participating in this program to broaden their knowledge and skills.





WELL-BEING

A work climate centered on motivation, pleasure in work and involvement is important for attracting and retaining motivated staff.

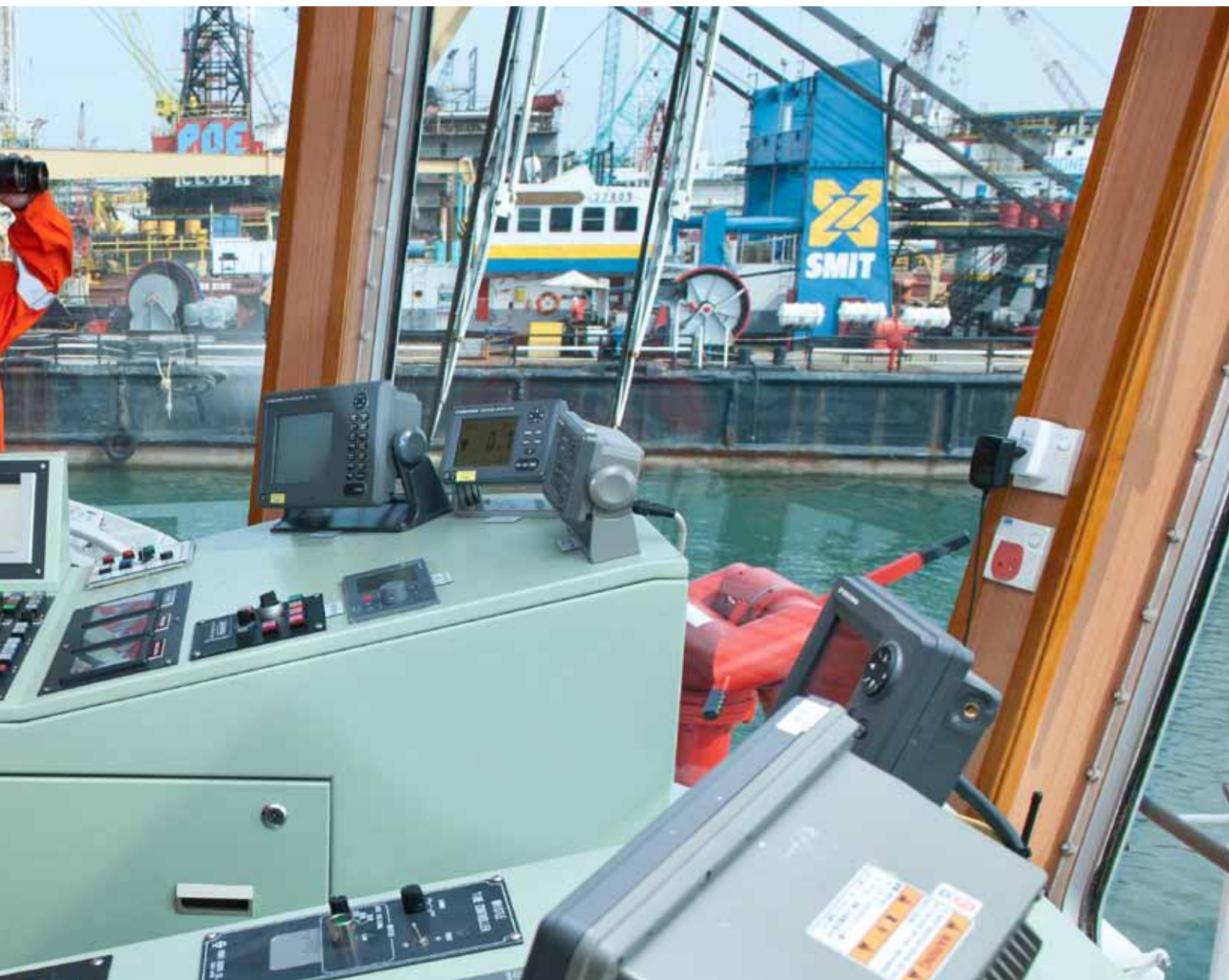
EMPLOYEE REPRESENTATION

At the end of 2011 eighteen new members were appointed to the Boskalis and SMIT works councils. In three of the electoral groups the number of candidates equaled the number of seats. In one electoral group (SMIT employees) there were more candidates than seats and elections were held.

In 2011 a start was made on merging the Boskalis and SMIT works councils into a single works council for the whole of Boskalis. This general works council started operating at the end of 2011. The SMIT harbour towage services will keep their own works council for the time being.

EMPLOYMENT BENEFITS

Our staff can rely on a good retirement provision. We operate various pension plans, detailed information on which can be



found in the list of 'Defined benefit pension schemes' on pages 96-99 of our 2011 Annual Report.

At the end of 2011 official preparations got underway to realize a Transfer of Undertaking for office and shore staff of Smit Nederland B.V. This concerns 288 employees who joined the Boskalis workforce with effect from 1 January 2012. A request for advice on this Transfer of Undertaking was submitted to the Works Council, which issued a positive advice at the end of 2011.

HEALTH AND VITALITY

We look after our people and respect downtime and working hours. We invest in their health and vitality by providing good living, recreational and medical facilities on projects, healthy and safe working conditions, the means to communicate with people (friends and family) back home and first-rate equipment.

Malaria prevention policy: we want to prevent our employees contracting malaria and therefore raise the awareness in high-risk areas such as Africa, South America and Asia. And so in 2011 we developed a malaria prevention policy. This will be incorporated into the Boskalis quality program which supplements

our *NINA* safety program. Employees being deployed to areas where malaria is present, will be given information and preventative medication ahead of their departure. In addition general precautionary measures have been introduced on projects in high-risk areas and we urge any member of staff who is feeling unwell to do a quick scan because acting swiftly mitigates the consequences of the disease.

AIDS prevention policy: we operate an AIDS prevention program aimed at providing accurate information and lowering the infection rate. The program provides guidance in work situations with an increased risk of infection and is also aimed at offering protection at work to employees who have been diagnosed with AIDS. We organize regular local information sessions to reduce the chance of becoming infected with the disease, for example in 2011 for our employees in Africa.

WORKFORCE PROFILE

EMPLOYEE BASE

At the end of 2011 the total number of people employed by Boskalis, including our share in associated companies, was 13,935 (2010: 13,832).

CONTRACT TYPE

Of our employees 70% have a permanent appointment. Temporary contracts enable us to respond to the constantly changing market developments. Particularly in countries where we are engaged in a lot of projects, such as Australia, the number of temporary contracts is relatively high (70% in 2011).

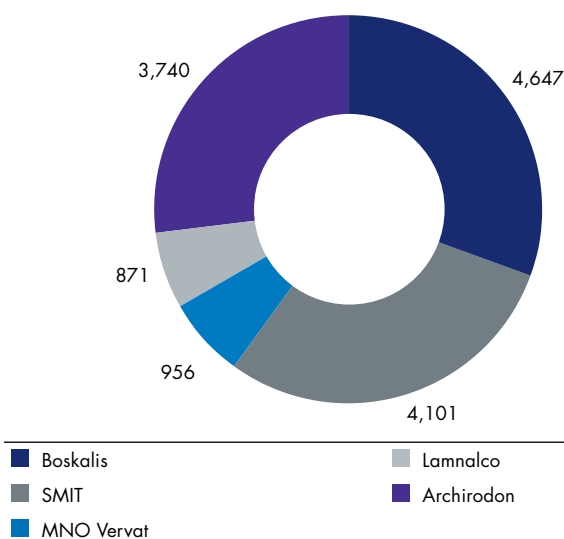
RATIOS

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 reflect the nature of our work. We are to a large extent a project organization that sends out trained technical, financial and maritime staff for the duration of projects. Deployment to projects has proved to be a less attractive option for part-time staff and women, who are more inclined to choose a job which is office-based over one on a vessel or on a project. In addition, the number of women who complete a technical or maritime course each year remains small. The percentages of men and women in 2011 were 92% – 8% respectively, this is in line compared to 2010. The percentages of men and women in 2011 at Boskalis' headquarters were 74% – 26% respectively. In 2011 the percentage of part-time staff equalled 4% (4% in 2010).

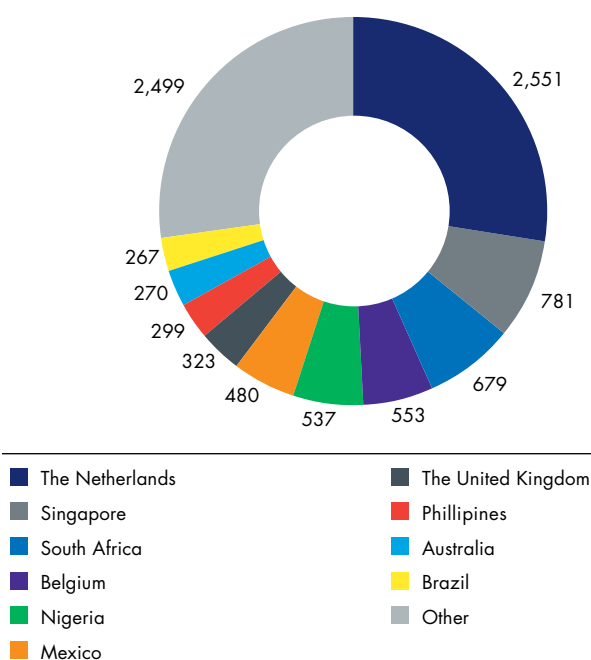
AGE PROFILE

Boskalis has a balanced age profile. Three-quarters of our employees are under 50, with over half (56%) being in the 30-50 age category.

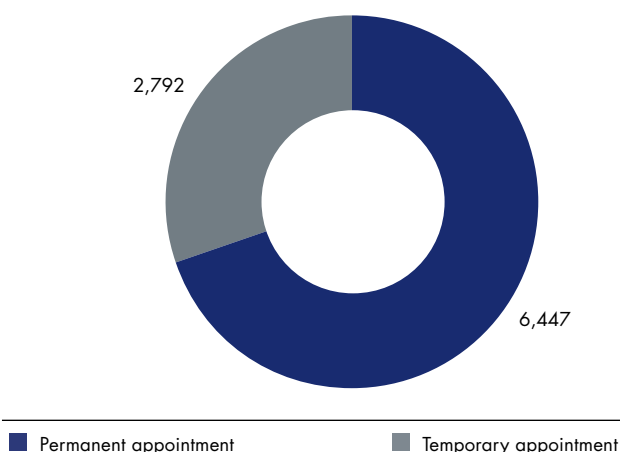
WORKFORCE INCLUDING OUR SHARE IN ASSOCIATED COMPANIES



NUMBER OF EMPLOYEES BY COUNTRY BOSKALIS, SMIT AND LAMNALCO



TYPE OF EMPLOYMENT CONTRACT BOSKALIS, SMIT AND LAMNALCO



IN- AND OUTFLOW AT BOSKALIS, SMIT, LAMNALCO



JOB CATEGORIES

The ratio of operational staff (fleet, yards and projects) to management and office support staff remained stable in 2011. The ratio was 78% – 22%. Proportionately the most managers and support staff work at head office in the Netherlands.

STAFF TURNOVER

We were able to welcome 1,886 new employees in 2011. 2,245 employees left Boskalis, 7 per cent due to retirement. In 2011 66% of the total outflow was due to project completion and the non-renewal of temporary contracts and 27% to voluntary redundancy.

A detailed overview of figures and percentages can be found in the HR tables in the appendix.

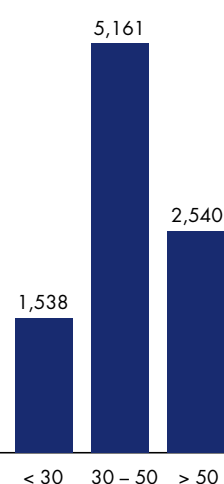
MEN/WOMEN RATIO BOSKALIS, SMIT, LAMNALCO



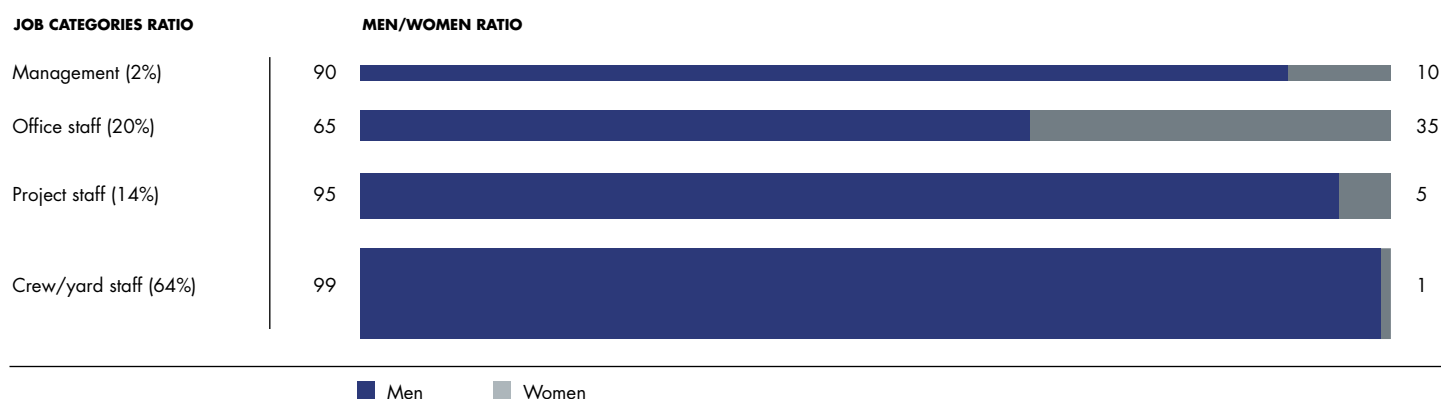
PART-TIME/FULL-TIME RATIO BOSKALIS, SMIT, LAMNALCO



AGE PROFILE AT BOSKALIS, SMIT, LAMNALCO



JOB CATEGORIES MEN/WOMAN RATIO AT BOSKALIS, SMIT AND LAMNALCO IN 2011 (IN %)



BLDP: SUCCESSFUL INTEGRATION IN ACTION

On many levels Boskalis and SMIT are becoming increasingly intertwined. Departments and office organizations are finding new and promising forms of cooperation, and on projects Boskalis and SMIT are increasingly cross selling and piggy backing on each other in the execution of the works.

Training programs also revolved around the integration with SMIT and the joint development of skills. A large number of courses saw a mixed Boskalis/SMIT group of participants. The Boskalis Leadership Development Program (BLDP) is an example of successful integration in action.

LONG-TERM INVESTMENT

The BLDP is an extensive training program developed in cooperation with training institute De Baak. The BLDP is a long-term investment in senior managers, with the aim of achieving more effective leadership, encouraging entrepreneurship and developing networks within the organization. In four one-week modules, spread over a period of nine months, detailed attention is paid to subjects such as personal leadership, business strategy, change management, entrepreneurship and innovation. In 2011 there were 20 participants: 13 from Boskalis and 7 from SMIT.

OUT OF THE BOX

In the first week the four working groups were formed and were tasked with developing innovative projects in the field of sales, integration, organization and new business, with the aim of achieving maximum synergy effects. To guarantee a really 'fresh perspective' the members of the working groups members were asked to devote their attention to subjects outside their own area of expertise.

"WHEN YOU SAY 'BLDP' DOORS OPEN"

Members of the Board of Management and the Group Management 'adopted' the projects. In the course of the BLDP program the members of the working groups got together regularly and held numerous meetings and interviews. September saw the launch of useful plans for such

'WHEN YOU
SAY 'BLDP'
DOORS OPEN'

SMIT tugs welcome the fallpipe vessel Sandpiper in Brazil.



things as new commercial possibilities, optimizing the integration process and improving the organization. "The involvement of the Board of Management and the Group Management shows how important this program is to Boskalis," said Richard Leijnse, division controller at SMIT. "That was very inspiring. We encountered lots of cooperation throughout the organization. When you say 'BLDP' doors open. I learned a lot from this program. It comes on top of your work, it was a major time investment for everyone, but it was really worth it."

DNA STRUCTURE

Anne Jan Fokkema, project manager at Boskalis: "During one of the sessions we examined the two companies' 'DNA structure'. The general conclusion was that the two companies have much more in common than you might initially suppose. One of the findings was that SMIT people are strongly client-focused and Boskalis staff are more performance-oriented. That can result in a great mix."

DOING THINGS TOGETHER

In the first week the participants were also asked to describe how they were experiencing the integration of Boskalis and SMIT. Richard Leijnse: "What was striking was that Boskalis employees mainly spoke enthusiastically about the opportunities and the potential synergies. They didn't examine what this means for the

SMIT organization, whilst for the SMIT colleagues the situation also felt like a goodbye – for me too. But those four BLDP weeks also helped to give us closure and in that respect I also found the process very valuable. In my experience this course was very conducive for the integration. On the one hand by bringing this group of people together, but mainly by getting them to do things together. In September we concluded as a group that integration really happens automatically if you do things together. Holding meetings about it is not very productive; undertaking things together is. As far as I'm concerned that is the most important conclusion: less talk and more action! In a short time I got to know the whole new organization really well. That would not have been possible in any other way."

NETWORKING

Anne Jan Fokkema added: "As well as being an important personal development for the participants, the BLDP – partly thanks to the project assignments – also supplied them with a first-class network." Richard Leijnse concluded: "The trick is now to see to it that the impact of the BLDP is not limited to the 20 course members. We want to share our experiences and insights with the rest of our people to the best of our ability. We have already set up a number of activities to achieve this."



OUR SOCIETAL PERFORMANCE

40 **POLICY**

41 **OBJECTIVES**

POLICY

Our primary activities contribute to the economic development and safety of a region. In addition where possible we support local communities, engage in social sponsorship and donations, and invest in education and knowledge transfer.

Our responsibility to society is set out in our strategy and our Statement of General Business Principles*. Our strategy states that we seek to provide sustainable all-round solutions for infrastructural challenges in the maritime, coastal and delta regions of the world. Our Statement of General Business Principles asserts that we do not do business in countries subject to international and relevant national embargoes, and that we respect human rights as set out in the United Nations Universal Declaration of Human Rights. We will not offer, purchase, request or accept bribes or any other favors for the purpose of acquiring or bestowing any improper business, financial or personal advantage. We will not undertake commercial activities in countries where it is made impossible for us to adhere to our Statement of General Business Principles. We also respect intellectual property rights and will operate in fair competition by complying with relevant competition laws.

* www.boskalis.com > about us > downloads > corporate downloads > sustainability



OBJECTIVES

SMIT Amandla Marine employees and learners from Clarke Primary in Cape Town planted 21 trees during an educational environmental project.



CONTRIBUTIONS TO LOCAL COMMUNITIES

Our work has an impact on the environment. We make a positive contribution by hiring local workers and sourcing equipment locally. But we also wholeheartedly support initiatives developed by our own people at our offices and on our projects abroad; these include awarding safety bonuses to local good causes and contributions to healthcare, education and infrastructure. Examples of such contributions in 2011 can be found on page 42 of this report.

SOCIAL SPONSORSHIP AND DONATIONS

Boskalis targets its investments with social sponsorship activities and donations through social, cultural, sporting and educational activities. Beneficiaries include the Royal Netherlands Sea Rescue Institution (KNRM), top-class sailing and the arts.

Our support of the KNRM is not limited to financial contributions, for example for the purchase of a new rescue boat. In 2011 we continued to bring together our own employees and those of the KNRM so they can get to know each other and learn about each other's work on the water.

We support sailing at the highest level by organizing catamaran masterclasses. By doing so we give young competitive sailors the opportunity to join the best in the world through coaching by experienced sailors. Achievements in 2011 included a fifth place in the F18 World Championships.

In the cultural field we support sculptor Ruud Kuijer's 'Waterwerken' (Waterworks) project whose work connects to water,

sand, transport and industry. In 2011 his 'Waterwerk VI' was installed along the Amsterdam-Rhine Canal.

For a detailed description of our sponsorship policy and a summary of our donation and sponsorship results in 2011 please refer to the corporate website**.

INVESTING IN EDUCATION AND KNOWLEDGE TRANSFER

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

This also applies to the knowledge gained from the *Building with Nature* program. We communicate this information to universities and professional education institutions through various readerships, guest lecturer positions and courses. In addition Boskalis supports a number of doctorate research projects at Delft University of Technology.

Boskalis also supervises interns, graduates and doctorate students (64 in 2011) at Delft University of Technology and other institutions. We also co-fund a Chair of Dredging Technology at Delft University of Technology, as well as supplying a scientific officer.

** www.boskalis.com > company profile > sponsorship

MALARIA PREVENTION PROJECT WITH NGO FAMILY CARE

Our Nigerian subsidiary, Nigeria Westminster Dredging and Marine Limited in collaboration with NGO, *Family Care Association (FCA)*, executed a Malaria Control and Prevention Project under the umbrella of the *Nigeria Malaria Control and Prevention Programme*. The programme which took place in Ilaje LGA, Ondo state was managed by a team of FCA medical professionals, volunteers and project coordinators and reached out to the riverine communities of Igbokoda, Ugbonlo, Aiyetoro and Ilowo. Malaria is something the communities face on a daily basis. The focus of the programme was to reduce the malaria burden within the target communities through distribution of 2,000 LLIN (Long-Lasting Insecticidal Nets), Intermittent Preventive Treatment for pregnant women, free Rapid Diagnostic Tests for malaria, free ACT malaria medication for those who tested positive for malaria, with emphasis on pregnant women and children under five years.

A key aspect of the programme was to address malaria prevention education and awareness through campaigns, seminars and lectures. Two hundred (200) community health workers, nurses, pharmacists and medical personnel from within the LGA received training and certification in malaria prevention and control, as well as training for 3,016 community agents.



SMIT AMANDLA MARINE'S SED PROGRAM

In 2011 SMIT Amandla Marine's *Socio-Economic Development (SED)* program in South Africa was focused on providing access to the economy for previously disadvantaged black* South Africans. SMIT has entered into multi-year partnerships with a number of accredited educational and community-based organisations 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 2011 included:

- 37 scholarships for primary, secondary and tertiary education awarded to children of lower-income employees;
- 23 black* South Africans received sponsored training for access to the formal maritime sector with a >25t Skippers training course and all ancillary training;
- 2 black* South Africans undertaking their first year of maritime studies and maritime engineering at South African Universities of Technology received full scholarships;
- Bursaries for learners at Lawhill Maritime Centre were awarded through a donation to the high school;
- 60 primary school learners and 20 employees at Clarke Primary School in Cape Town learnt about sustaining the environment through their involvement in a tree planting and environmental education project at the school;
- Promotion of the maritime industry through a dedicated website www.careersatsea.co.za as well as through participation in several key career exhibitions.

All of the SED activities are carried out under the requirements of the Broad Based Black Economic Empowerment Act and are subject to an annual BBBEE verification audit. The BBBEE Act is legislated and promotes initiatives to ensure access to and participation in the economy by black* South Africans. SED is one way of doing this.

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



Worship With Us @
CHURCH OF GOD MISSION INT'L INC.
FAVOUR / MIRACLE ARENA
OGU / BOLO DISTRICT

WEEKLY ACTIVITIES	
MON.	PRAYER MEETINGS 6PM
WED.	BIBLE STUDIES 6PM
FRI.	MIRACLE SERVICE 6PM
SUN.	SUNDAY SCHOOL 8 - 9AM
	MAIN SERVICES 9 - 11AM

COME & EXPERIENCE GOD SPECIALLY





OUR ENVIRONMENTAL PERFORMANCE

46 **POLICY AND OBJECTIVES**

52 **FUEL AND ENERGY CONSUMPTION**

POLICY AND OBJECTIVES

POLICY

Our work has a direct impact on the surroundings; we are aware of our responsibility towards nature and the environment. Both independently and in conjunction with suppliers, knowledge institutes and sector organizations Boskalis researches ways of making the chain more sustainable. We strive to continually improve our environmental performance, as is evidenced by our ISO 14001 certification. Our environmental policy has been translated into clear and practical guidelines so that it can be easily implemented in our everyday work. For example, where possible we see to the separate collection and disposal of our waste and efficient use of water and energy. We encourage environmental awareness and motivation in our own employees and those of our subcontractors. We are renowned in the market for our environmental expertise.

OBJECTIVES

We always seek to achieve the best possible balance between economic and ecological values in our projects and contracts. Our objectives are targeted on the aspects where we can add the most value: the further expansion of our environmental expertise, the provision of eco-dynamic designs and the ongoing investment in and deployment of environmentally friendly equipment.

ENVIRONMENTAL EXPERTISE

Application

Our clients can rely on our environmental expertise. Our environmental expertise has the greatest added value in projects where we are brought in early at the design stage as a partner to the client. But we also seek to apply environmentally friendly working methods and techniques in executing our projects and contracts, and are able to draw on over 100 experts from our R&D and other departments as well as engineers and ecologists from our own engineering consultancy Hydronamic.

The sustainable applications we offer our clients are in some cases complex and innovative. Eco-dynamic designs according to the *Building with Nature* philosophy are a good example. Another example is our innovative approach to protecting coral reefs, as applied on the Khalifa Port project in Abu Dhabi where we developed a major offshore port close to the largest coral reef in the Persian Gulf (see page 69 of our 2010 CSR report). But sometimes only minor adjustments are involved, such as suggesting that a new beach is constructed on a slightly less smaller incline so that it remains accessible to sea turtles.

Our expertise can also be called in for the remediation of contaminated sediment. Our subsidiary Boskalis Dolman executes



noteworthy soil remediation projects around the world, and in doing so seeks to re-use as much material as possible.

SMIT has been instrumental in developing new solutions for the safe, pollution-free removal of cargo and bunkers from casualties. The hot-tap technology guarantees a spill-free extraction of any contained fluids either above or under water from vessels aground or sunk at water depths up to at least 250 meters. Amongst others, the hot-tap technology is applied to remove the pollutants from the grounded Costa Concordia, Italy, 2012. The POLREC system is applied to remove oil and chemicals from vessels lying on the seabed in very deep water, without the assistance of divers and in an environmentally safe manner. The system uses a ROLS unit (Remote-operated Offloading System) for the recovery of pollutants at water depths up to 500 meters. Further developments in the near future will significantly improve productivity and efficiency and allow the system to work at even greater depths up to at least 1,000 meters.

Research and knowledge sharing

In order to maintain our leading role we invest in fundamental and applied research on an ongoing basis. Our research focuses on limiting our ecological impact by reducing emissions (see elsewhere in this section) and mitigating turbidity during dredging projects. During dredging work the seabed is churned up and the

resulting temporary reduction in the incidence of light in the water can be harmful to underwater plant and animal life. By developing advanced forecasting models and monitoring programs we are able to analyse the turbidity at any given time and adjust the execution of the work accordingly.

To give a further boost to knowledge exchange and awareness, in 2011 we launched an environment portal. Working groups dealing with sustainability issues can use the web application to share information so that we develop an active 'Community of Practice' in this area. We engage in external knowledge sharing through lectures, guest lecturer positions, readerships and presentations, and by participating in fundamental research programs and supervising committees of PhD students.



In addition SMIT is increasingly being asked to participate in and contribute expertise and knowledge to ambitious, large-scale Joint Industry Projects like OBELICS. The knowledge and tools developed are used to increase operational safety, improve services and reduce the environmental impact. For more information please refer to page 74 in our CSR 2010 report.

Boskalis also contributes to the dissemination of knowledge through the *Building with Nature* program described in this section. For example in 2011 a dual lecturership was established between Delft University of Technology and Wageningen University aimed at providing further structure to the innovation and broadening of the discipline. This innovation, initiated by Boskalis, has been embraced by both universities. The knowledge exchange regarding the *Building with Nature* program gathered pace in 2011. The draft version of the 'Eco-dynamic design manual' has been completed. The manual, which contains general guidelines that can be applied anywhere in the world, will be published on the Ecoshape website (www.ecoshape.nl). In May 2011 Ecoshape held a mid-term conference at which all the results to date were presented to partners and clients. The closing conference is scheduled for November 2012, at the end of the first planning period, when we want to share all the results of the first five years of *Building with Nature* with a wide audience.

ECO-DYNAMIC DESIGN

Hydraulic engineering is directly linked to our environment which means that all over the world the environmental effects of hydraulic engineering projects are under close and constant scrutiny. During the various development stages in a project, from its design up to and including the realization and maintenance stage, experts are assessing whether it meets requirements. This is a good thing, in Boskalis' opinion. However, this international assessment has many practical drawbacks. Conflicting interests and differences in the interpretation of environmental legislation and regulations mean that interested parties are often pitched against one another in arduous legal proceedings, with insufficient knowledge about ecological preconditions playing a crucial role. This situation can result in hydraulic engineering projects suffering long delays and in some cases being cancelled altogether.

Boskalis sees eco-dynamic design as a possible solution. We are one of the initiators and financiers of Ecoshape, the foundation which executes the *Building with Nature* innovation program. Within the program we aim to set new, internationally accepted design standards. In this way we contribute towards the sustainable management and development of densely populated river, delta and coastal regions around the world.



BOSKALIS ATTAINS LEVEL 3 ON CO₂ PERFORMANCE LADDER IN THE NETHERLANDS

The CO₂ performance ladder, an initiative by large public-sector principals in the Netherlands, was developed as a tool for encouraging companies that take part in public tenders to reduce the amount of CO₂ they produce. The greater a company's efforts to cut back its carbon emissions, the better their chances of being awarded a work or order. Moreover, public clients are prepared to give a discount of up to 10% on the tender price to suppliers who are certified at the highest level of the CO₂ performance ladder.

In 2011 Boskalis was certified in the Netherlands for the requirements applying to level 3 of this standard. Boskalis also involves its employees in its emissions-saving efforts by providing a dashboard on the intranet to make it clear to them what their own impact is on CO₂ emissions.

For more information (Dutch only) on the CO₂ performance ladder please refer to our Dutch website (www.boskalisnederland.nl).

In the course of this five-year research program which was launched in 2008 we, along with governments, business, universities, knowledge institutes, civil engineers and consulting firms, port operators and private contractors, are gaining knowledge and experience about the dynamics of nature. The goal is to develop hydraulic engineering projects which also create opportunities for nature by complementing the natural dynamics of the surrounding area. We call this eco-dynamic design. What is special is that this program links up with current or future projects, which means that the knowledge can be put directly to the test in real-life situations.

In the Netherlands the program has already produced various noteworthy results. For example, 2011 saw the delivery of the Sand Motor, a new and innovative way of maintaining the Dutch coastline. A huge quantity of sand was deposited off the coast which will be distributed along the coast of the province of Zuid-Holland by the natural forces of the tide, current and wave action. A subsidy has been granted to intensify the monitoring over the next few years, with doctorate students processing the research data arising from the monitoring into new knowledge.

Another example is the Green Wave-reducing Dike in the Noorderwaard polder in the south-western part of the Netherlands, a pilot project which is part of the *Ruimte voor de Rivier* ('Room for the River') project. Over the next three years the dikes of the polder, which lies to the south of the city of Dordrecht and covers an area of 2,000 hectares, will be lowered over a stretch of several hundred meters and in some places will even be cut. To prevent the local residents from getting wet feet and at the

same time spare them having to look out on a high, ungainly new-build dike, a willow forest is to be planted in front of the existing dike. Over a stretch of one kilometer thousands of willow cuttings will be planted in the clay in a 100-meter wide swathe. Every other year these willows will be chopped down so that the stumps produce shoots which will catch a large part of the wash. With regular replacement of the willows they are expected to be able to break up to 80 per cent of the waves' energy. If this new method proves to be a success, it can be applied to future dike adjustments which are needed to drain off river and flood water and to cope with more frequent storms.

The research into soft coastal protection in tropical systems using mangroves is still ongoing. It involves looking at a potential future piloting of mangrove forests as a natural form of coastal protection in countries such as Indonesia. We are also looking into broadening our knowledge of the natural reproductive behavior of corals.

Future of Building with Nature

In 2011 the program was designated one of the 14 most promising business cases by the Dutch government program *Topsector Water*. In November 2011 Ecoshape signed an agreement with the Department of Public Works and the Dutch Association of Water Boards (Unie van Waterschappen) aimed at investigating how we can introduce even more practical solutions to the Department of Public Works and the water boards. This cooperation gives us a head start in the further development of knowledge and applying it, and Boskalis therefore sees the

The Sand Motor, one of the *Building with Nature* projects, was completed in 2011. The Sand Motor is an innovative form of coastal defense, which uses natural forces such as tide, wind, currents and waves to deposit sand for coastal replenishment.



conclusion of the contract as a great step forward. In addition *Building with Nature* has been included in the innovation contract drawn up in the context of *Topsector Water*.

Over the past five years we have developed the *Building with Nature* concept and have shown that it works. At present a follow-up program is being prepared, in which we want to continue along the same lines, combining knowledge and practical cases. We are investing heavily in 'natural flood barriers', both in the Netherlands and elsewhere. We also want to look into possible new developments in vulnerable estuaries.

ENVIRONMENTALLY FRIENDLY EQUIPMENT

We take targeted measures to ensure we have equipment that enables us to operate with minimum environmental impact. In addition to our research and the measures we take to mitigate turbidity and carbon emissions, we and a number of our suppliers have cooperated to develop new systems and applications which have reduced the consumption of lubricants and lubricating oil on our dredgers and other ships. Bilge water separators and ballast water treatment systems are used to clean the bilge and ballast water on our dredging fleet. New tugboats are designed in such

a way that they no longer require ballast water tanks.

Together with our foundries we have developed a scrap management program to recycle pump casings, impellers and cutter teeth. In 2011 a total of 265,770 kilos of waste material was recycled.

Because we strive for sustainability throughout the chain we attach great value to the safe and environmentally friendly dismantling of vessels that we take out of service. You can find more information about this on pages 62 and 63 of our 2009 Annual Report. In 2011 we sustainably dismantled four of our large ships: the *Cornelia*, the *Cetus*, the *Alpha B* and the *Freeway*, as well as some smaller equipment. The *Cornelia* and *Freeway* were broken up at a specialized yard in The Netherlands and Belgium respectively. The *Alpha B* and the *Cetus* were broken up at a yard in India, which we first visited and then approved following an audit. The shipyard is fully certified by Bureau Veritas and Germanischer Lloyd.

Limiting emissions

The Emissions Taskforce studies ways of reducing pollutant emissions. Led by a member of the Board of Management the Taskforce is composed of a broad range of specialists and professionals from across the organization. In 2011 an



environmental officer for the fleet was brought in to serve on the Taskforce along with the environmental officer for the execution of the works who was appointed in 2010. The Taskforce met four times in 2011. Subjects on the agenda included the use of scrubbers, the use of cleaner fuels, research into hybrid engines and weather routing on our ships.

- *Cleaner and more efficient engines:* we conduct research into cleaner and more efficient engines. These may be hybrid engines, such as the diesel-electric engines which power our new fallpipe vessel and our hybrid bulldozer.
- *Cleaner fuel:* wherever possible our tugs use green shore-side power during their standby periods, whilst our dredgers use low-sulphur fuel in the so-called Sulphur Emission Control Areas. At present we are conducting a feasibility study in cooperation with Aalborg Industries into the use of a so-called scrubber which cleans exhaust fumes and is designed to prevent sulphur emissions. Initial results are positive but further research is still needed.
We are also looking at the possibilities afforded by cleaner types of fuel such as LNG and biofuel. This is contingent upon local infrastructure being present to enable the bunkering of such fuels.
- *Development of new equipment and adaptation of existing equipment:* our new equipment complies with the highest fuel consumption requirements. Where possible we enhance the sustainability of our existing equipment. Research by Dutch

institute MARIN into adapting the trim on trailing suction hopper dredgers produced interesting results in 2011. The aim is to minimize resistance when sailing empty, which will have a positive impact on both fuel consumption and emissions. Follow-up research is to be undertaken.

Lamnalco is involved in a study aimed at designing a hybrid tug using LNG as fuel.

SMIT has been involved in various research projects to improve the environmental performance of its vessels. The various projects mainly focused on the propulsion system and considered both alternative fuels and system layouts. Through the development of models for environmental impact and life cycle cost assessments, SMIT is now able to provide clients tugs with 'fit for purpose' propulsion configurations, incorporating (local) environmental and operational requirements and future emission regulations. The well-known E3 principle serves as a guideline in the design of such new concepts, i.e. designing with an optimum balance between Environmental performance, Efficiency of operations and Economic viability

- *Ship Energy Efficiency Management Plan (SEEMP):* the main purpose of a SEEMP is to raise crew awareness of on-board energy consumption. Together with our fellow dredgers in the industry association European Dredging Association (EuDA) we are working on formulating clear definitions and measures for a SEEMP for individual ships. Boskalis wants to start introducing SEEMPs on our ships in 2012, which will include a weather routing program. This will enable our ships to determine the best possible sailing route at all times as the program will make recommendations for avoiding certain weather conditions or heavy seas. As well as optimizing safety, this can reduce both voyage times and carbon emissions. After testing various weather routing programs Boskalis signed a contract with Meteo-consult in 2011. The weather routing program has already been introduced on more than 20 of our larger dredging vessels.

SUSTAINABLE ACCOMMODATION

We are also seeking to make our accommodation more sustainable, with a good example being the expansion of our head office in the Netherlands. This involves the realization of a new building in accordance with the Dutch 'Greencalc A label' standard. The building is being fitted with various sustainable energy solutions, such as the use of water sources at a depth of 90 meters below the surface for heating and cooling; this will reduce energy consumption and therefore carbon emissions. The building work is being executed by a contractor that complies with our sustainable criteria, including our strict safety standards. The contractor's corporate staff and their subcontractors were all given a NINA training at the start of the project.

FUEL AND ENERGY CONSUMPTION

In 2011 we worked hard to optimize the reporting on the fuel consumption of our fleet and the energy consumed by our office organization and to expand it with the data from SMIT.

At present the CO₂ emissions of our fleet are based on absolute fuel consumption and not on relative emissions per production unit. Due to the absence of a clear standard the annual consumption reports are difficult to compare. A complex set of factors come into play here. Our fleet consists of different types of vessels and the fuel consumption of a large trailing suction hopper dredger can hardly be compared to that of a tugboat. The purpose of the former is to suck up sand, transport it and unload it, whilst the latter tows or pushes large vessels. The deployment of older or more modern vessels and the utilization rate of the fleet also have a bearing on fuel consumption in a given year. In addition the nature of the projects can also provide a distorted picture; for example, a cutter suction dredger will have much lower energy consumption during a year involving a lot of work in softer soil compared to a year working on projects with predominantly hard soil. This means that higher or lower fuel consumption by our fleet in a given year does not automatically equate to less or more efficient deployment. For this reason we do not consider it sensible to set a quantitative target for annual fuel consumption at this time.

Our aim is to establish an industry standard and we are in talks with others in the sector to achieve this. We are looking at whether we can arrive at a workable model by linking carbon emissions to the type of working conditions. The second step will be to make this model uniform. Given the complexity of the subject we expect that introduction is still several years away. In the meantime we will continue to report on our fuel consumption, our research and targeted measures taken to reduce our emissions.

CARBON DIOXIDE EMISSIONS IN 2011

Based on the results of a case study in 2010 (see page 61 of our 2010 CSR report) we have decided not to report on the fuel consumption of our dry earthmoving equipment, because the vast majority (around 95%) of our carbon dioxide emissions are produced by our fleet. The tables below show the fuel consumption of our fleet as well as the amount of energy consumed by our office organization.

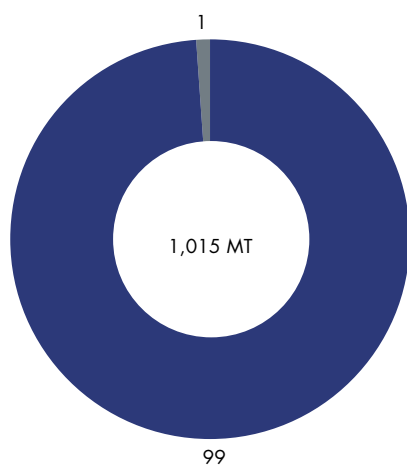
In terms of both fleet and office organization associate companies are consolidated pro rata to the participating interest we hold. *Boskalis fleet.* Compared to 2010 carbon dioxide emissions declined by 15%. Around one-tenth of the decline is due to several ships being decommissioned (see page 50 of this report). The remainder is attributable to lower equipment utilization rates (hoppers from 43 to 39 weeks and cutters from 27 to 19 weeks). *Boskalis offices.* In 2011 we further fine-tuned the reporting scope with regard to the offices. In addition we now report only on permanent offices, which has resulted in a more stable office base. As a result of this fine-tuning a number of temporary project offices, which were included in the reporting in 2010, are now out of scope.

Lamnalco fleet. Overall emissions rose by around 1% compared to 2010. However, the number of vessels included in the reporting increased in 2011. On a like-for-like basis in terms of fleet composition consumption in 2011 was down 6% on 2010, with the decline attributable to lower equipment utilization levels.

Lamnalco offices. Scope and consumption comparable to 2010. *SMIT fleet and offices.* We are reporting on the consumption of the SMIT fleet and office organization for the first time this year.



CO₂ (Metric Tons '000)



Fleet (%)

Offices (%)

	FLEET		OFFICES		CO ₂ MT ('000)
	FUEL HFO m ³ ('000)	FUEL MGO m ³ ('000)	ELECTRICITY KWh (million)	GAS Mj (million)	
Boskalis	86.2	99.6	5.8	11.9	543.9
Lamnalco	–	41.6	0.2	–	112.7
SMIT	0.7	129.8	8.1	5.0	358.1
Total	86.9	271.0	14.1	16.9	1,014.7
CO ₂ MT ('000)	272.9	732.9	8.0	0.9	



OUR ECONOMIC PERFORMANCE

OUR ECONOMIC POLICY

With our services and the infrastructure works we realize, we contribute to the economy and employment in a region and help to build a sustainable future. Our economic policy is aimed at the continuity and maintaining of our leading position in our industry whilst looking out for our stakeholders' interests. 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 have supplied. Without profit and without a robust financial base it would not be possible to meet our responsibilities.

Our policy towards our financial stakeholders, and in particular our shareholders, can be found in our Statement of General Business Principles*.

OUR ECONOMIC OBJECTIVES

We aim for structural growth of the company and a healthy return on equity.

KEY FIGURES AND RESULTS FOR 2011

For information on the key figures and results for 2011 please refer to the Report of the Board of Management on pages 34-41 and our Ten-year overview on page 124 of our 2011 Annual Report.

* www.boskalis.com > about us > downloads > corporate downloads > sustainability



APPENDIX

58 ABOUT THIS REPORT

61 GRI TABLE

62 HR DATA

65 SHE-Q DATA

68 GLOSSARY

ABOUT THIS REPORT

PURPOSE OF THE REPORT

In this Corporate Social Responsibility (CSR) Report we provide details of the CSR policy we pursued in 2011 to all our stakeholders.

REPORTING STANDARD AND SELECTION PROCESS OF PERFORMANCE INDICATORS

Besides our Annual Report we have published a CSR Report since 2009. In our CSR Report we account for material and relevant non-financial aspects of our performance arising from our strategy and core activities. We have spoken with our main stakeholders to obtain a clear picture of their information requirement, which we have taken into account in selecting the performance indicators and compiling this report.

We report in accordance with the international guidelines set out in the Global Reporting Initiative (version G3-1). The GRI table on page 61 shows which indicators we report on. Three GRI indicators were added to our reporting in 2011, bringing the total number of indicators to 20.



REPORTING SCOPE

In 2009 we started reporting on our 100% subsidiaries. In May 2010 we acquired Smit Internationale, but did not report fully on SMIT in our 2010 CSR Report. SMIT is fully included in this CSR Report.

In 2010 SMIT's terminal activities were sold to Lamnalco (in which Boskalis held and will retain a 50% shareholding), but the deconsolidation of SMIT Terminals from 100% to 50% will only be reflected in the reporting over 2012. In this CSR Report the activities of our 50%-owned associate company Lamnalco are included on a pro rata basis.

The activities of Archirodon (Maritime Infrastructure), in which we hold a 40% stake, are not taken into consideration and are only included in our financial reporting. Archirodon falls outside the scope of the CSR Report owing to the size of the stake (minority shareholding) and the extent to which we are able to influence the company's CSR policy. We intend to include the data for MNO Vervat, which was acquired in December 2011, in our 2012 CSR Report.

REPORTING PROCESS AND MANAGEMENT SYSTEM

The Board of Management is responsible for the preparation of our CSR Report, which is compiled by a multidisciplinary CSR team of representatives from across the organization. In 2011 we made great strides forwards in optimizing the existing reporting/management system for the relevant non-financial information. The data is more complete and of higher quality, and therefore more reliable and secure.

CSR reporting within Boskalis has a layered structure, in accordance with the internal allocation of management responsibilities, with consolidation of non-financial performance taking place level by level, starting with the locations, moving on to the relevant business units and staff departments and ending with the consolidated group reporting. The consolidated group reports are discussed with the Board of Management.

RELIABILITY

The report meets the requirement of the GRI C level. Its design and quality have been tested by means of internal controls. The quantitative data was verified by our internal controlling department.





GLOBAL REPORTING INITIATIVE INDEX

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

GRI INDEX	CHAPTER	PAGE
STRATEGY AND ANALYSIS		
1.1 CEO's statement	CEO's statement	4–5
ORGANIZATION PROFILE		
2.1 Name of the organization	Who we are	9–10
2.2 Products and services	Who we are	9–10
2.3 Operational structure	Who we are	20
2.4 Location headquarters	Who we are	9–10
2.5 Operating countries	Who we are	9–10
2.6 Nature of ownership and legal form	Who we are	9–10, 20
2.7 Markets	Who we are	9, 16
2.8 Scale of reporting	Who we are	9–10, 13
2.9 Changes in organization	Who we are	9–10
2.10 Awards	Appendix-SHE-Q data	66
REPORTING PARAMETERS		
3.1 Reporting period	Appendix-About this report	58–59
3.2 Previous report	Appendix-About this report	58–59
3.3 Reporting cycle	Appendix-About this report	58–59
3.4 Contact point	Colophon	Inside cover
3.5 Process defining report content	Appendix-About this report	58–59
3.6 Boundary	Appendix-About this report	58–59
3.7 Limitations on scope or boundary	Appendix-About this report	58–59
3.8 Basis for reporting on joint ventures	Appendix-About this report	58–59
3.10 Re-statements	Appendix-About this report	58–59
3.11 Changes in reporting	Appendix-About this report	58–59
3.12 Standard disclosures	Appendix-About this report	58–59
GOVERNANCE, COMMITMENTS AND ENGAGEMENT		
4.1 Governance structure	Who we are	20
4.2 Chair of the highest governance body	Who we are	20
4.3 Independency	Who we are	20–21
4.4 Mechanisms for shareholders and employees	Who we are	20–21
4.14 List of stakeholder groups	Who we are	15–16
4.15 Identification and selection of stakeholders	Who we are, Appendix-About this report	15–17, 58–59
ECONOMIC PERFORMANCE INDICATORS		
EC 1 Direct economic value	Who we are, Our economic performance	13, 55
EC 3 Coverage of organization's defined benefit plan obligations	Our social performance	33
EC 8 Investments in local infrastructure and services	Who we are, Our societal performance	40–43
NATURE & ENVIRONMENTAL PERFORMANCE INDICATORS		
EN 3 Direct energy consumption by primary energy source	Our environmental performance	52
EN 4 Indirect energy consumption by energy source	Our environmental performance	52
EN 12 Significant impacts on biodiversity	Our environmental performance	46–51
EN 13 Habitats protected or restored	Our environmental performance	46–51
EN 14 Strategies, current actions and future plans for managing impacts on biodiversity	Our environmental performance	46–51
EN 16 Greenhouse gas emissions	Our environmental performance	50–52
SOCIAL PERFORMANCE INDICATORS		
LA 1 Workforce profile	Appendix-HR data	62–65
LA 2 Employee turnover	Appendix-HR data	62–65
LA 4 Percentage of employees covered by collective bargaining agreements	Appendix-HR data	62–65
LA 7 Injuries, diseases and absenteeism	Appendix, SHE-Q data	67
LA 8 Education, prevention, risk-control programs regarding serious diseases	Our social and societal performance	33, 42
LA10 Average hours of training per year per employee by employee category	Appendix-HR data	65
LA 11 Programs for skills management and lifelong learning	Our social performance	30–31
LA 12 Employees receiving regular performance and career development reviews	Our social performance	30–31
LA 13 Gender composition of governance bodies	Who we are	20
SO 1 Programs assessing the impacts of operations on communities, including entering, operating and exiting	Our societal performance	40–41
PRODUCT RESPONSIBILITY INDICATORS		
PR 5 Results surveys measuring customer satisfaction	Who we are	16–17

NUMBER OF EMPLOYEES

NUMBER OF EMPLOYEES	2011	2010
Boskalis (B)	4,267	4,647
SMIT (S)	4,101	4,278
Lamnalco (L)	871	673
Archirodon	3,740	4,234
MNO Vervat	956	—
TOTAL	13,935	13,832

COMPOSITION OF WORKFORCE

NUMBER OF EMPLOYEES BY COUNTRY	2011 B+S+L	2011 B+L	2010 B+L
The Netherlands	2,551	1,876	1,909
Singapore	781	23	24
South Africa	679	—	—
Belgium	553	—	—
Nigeria	537	487	411
Mexico	480	480	567
The United Kingdom	323	142	167
Phillipines	299	299	301
Australia	270	206	651
Brazil	267	27	—
Other	2,499	1,598	1,290
TOTAL	9,239	5,138	5,320

TYPE OF CONTRACT	2011 B+S+L	2011 B+L	2010 B+L
Temporary appointment	30%	35%	38%
Permanent appointment	70%	65%	62%
TOTAL	100%	100%	100%

SMIT has relatively more permanent appointments compared to Boskalis and Lamnalco: 76%.

WOMEN/MEN RATIOS	2011 B+S+L	2011 B+L	2010 B+L
Women	8%	9%	9%
Men	92%	91%	91%
TOTAL	100%	100%	100%

PART-TIME/FULL-TIME RATIOS	2011 B+S+L	2011 B+L	2010 B+L
Full-time	96%	95%	96%
Part-time	4%	5%	4%
TOTAL	100%	100%	100%

AGE PROFILE	2011 B+S+L	2011 B+L	2010 B+L
Age <30	17%	16%	18%
Age 30 – 50	56%	59%	56%
Age >50	27%	25%	26%
TOTAL	100%	100%	100%

COLLECTIVE BARGAINING AGREEMENTS YES/NO	2011 B+S+L	2011 B+L	2010 B+L
No	58%	62%	62%
Yes	42%	38%	38%
TOTAL	100%	100%	100%

SMIT has a relatively higher percentage of employees with collective bargaining agreements: 46%.

NATIONALITIES	2011 B+S+L	2010 B+L
Number of different nationalities	85	59

DEVELOPMENT

JOB CATEGORIES	2011 B+S+L	2011 B+L	2010 B+L
Management	2%	2%	2%
Office staff	20%	20%	19%
Project staff	14%	21%	21%
Crew/yard staff	64%	57%	58%
TOTAL	100%	100%	100%

SMIT has less project staff and more crew in accordance with the nature of its activities.

JOB CATEGORIES WOMEN/MEN RATIOS	2011 B+S+L		2011 B+L		2010 B+L	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Management	10%	90%	4%	96%	6%	94%
Office staff	35%	65%	36%	64%	33%	67%
Project staff	5%	95%	6%	94%	5%	95%
Crew/yard staff	1%	99%	1%	99%	2%	98%
TOTAL	8%	92%	9%	91%	9%	91%

SMIT has relatively more female managers but relatively less female project staff.

JOB CATEGORIES BY AGE RATIOS	2011 B+S+L			2011 B+L			2010 B+L		
	<30	30 – 50	>50	<30	30 – 50	>50	<30	30 – 50	>50
Management	2%	52%	46%	0%	44%	56%	0%	47%	53%
Office staff	16%	58%	26%	14%	61%	25%	15%	60%	25%
Project staff	21%	56%	23%	22%	57%	21%	28%	53%	19%
Crew/yard staff	16%	55%	29%	15%	59%	26%	16%	55%	29%
TOTAL	17%	56%	27%	16%	59%	25%	18%	56%	26%

TRAINING

TRAINING HOURS	2011 B+S+L	2011 B+L	2010 B+L
Management	3,314	1,507	1,381
Office staff	29,498	18,998	13,044
Project staff	27,722	23,799	18,461
Crew/yard staff	104,912	49,100	33,068
TOTAL	165,446	93,404	65,954

RECRUITMENT

INFLOW BY AGE	2011 B+S+L	2011 B+L	2010 B+L
Age <30	636	369	365
Age 30 – 50	917	527	443
Age >50	333	175	183
TOTAL	1,886	1,071	991

OUTFLOW BY REASON	2011 B+S+L	2011 B+L	2010 B+L
Voluntary resignation	27%	21%	26%
End of project/contract	50%	62%	61%
Dismissal	16%	10%	6%
Retirement	7%	7%	7%
TOTAL	100%	100%	100%

SMIT has relatively less outflow due to the often long-term nature of its activities.

OUTFLOW BY AGE	2011 B+S+L	2011 B+L	2010 B+L
Age <30	457	331	329
Age 30 – 50	1,070	692	575
Age >50	718	472	299
TOTAL	2,245	1,495	1,203



OVERVIEW CERTIFICATIONS BOSKALIS, SMIT AND LAMNALCO

BOSKALIS

	ISO 14001	OHSAS 18001 OR VCA*	ISO 9001
INTERNATIONAL PROJECTS	✓	✓	✓
HOME MARKETS			
The Netherlands	—	✓	✓
United Kingdom	✓	✓	✓
Germany	✓	✓	✓
Nordic (Finland, Sweden, Estonia, Lithuania)	✓	✓	✓
Mexico	✓	✓	✓
Nigeria	—	—	2012
NICHE MARKETS			
Rock Fall	✓	✓	✓
Boskalis Offshore	✓	✓	✓
Cofra	—	✓	✓
Boskalis Dolman	✓	✓	✓

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

SMIT

DIVISIONS	ISO 14001	OHSAS 18001	ISO 9001
Harbour Towage	✓ 11%*	✓ 11%*	✓ 44%*
Terminals	✓ 32%*	✓ 32%*	✓ 32%*
Salvage	—	—	✓
Transport & Heavy Lift	✓ 20%*	✓ 50%*	✓ 80%*

* percentage of units certified

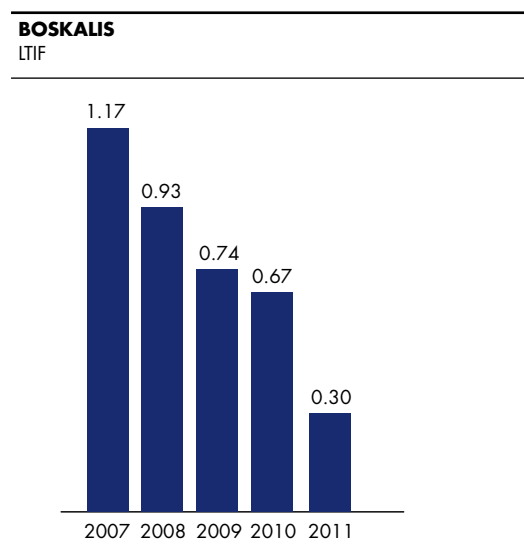
LAMNALCO

REGIONS	ISO 14001	OHSAS 18001	ISO 9001
Middle East and India	✓	✓	✓
West Africa	2012	2012	2012

LOST TIME INJURY FREQUENCY (LTIF) BOSKALIS, SMIT AND LAMNALCO

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

BOSKALIS



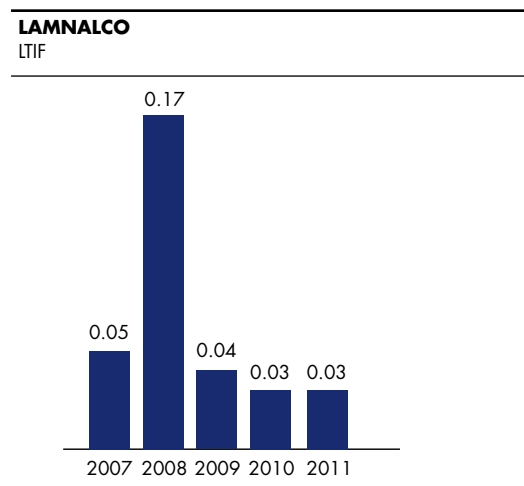
2011	HOURS		
	LTI'S	MILLION	% LTIF
Europe	18	5.1	0.70
Offshore	1	1.0	0.20
East	–	5.1	0.00
Middle (incl. Nigeria)	3	3.0	0.20
West	7	2.9	0.51
Middle East	–	0.6	0.00
Other (PPD office & CTD)	–	1.9	0.00
TOTAL BOSKALIS	29	19.6	0.30

SMIT

SMIT has business joint ventures, which are setup as a durable cooperation where SMIT policy is employed and SMIT management is generally in charge. For this reason, SHE-Q data at entities in which SMIT has management control will be taken into account for 100%.

2011	HOURS		
	LTI'S	MILLION	% LTIF
Harbour Towage	23	6.8	0.67
Terminals	3	4.2	0.14
Salvage	5	0.7	1.39
Transport & HL	13	9.0	0.29
Corporate & other	1	0.7	0.30
TOTAL SMIT	45	21.4	0.42

LAMNALCO



2011	HOURS		
	LTI'S	MILLION	% LTIF
Vessels and onshore locations	1	6.4	0.03
TOTAL LAMNALCO	1	6.4	0.03

OVERVIEW BOSKALIS SAFETY AWARDS IN 2011

In 2011 Boskalis received various safety awards including:

- The Maasvlakte 2 project in the Netherlands received a safety bonus from the Rotterdam Port Authority for 500,000 hours worked without an incident resulting in absence from work. The bonus will be donated to the Sophia children's hospital.
- The OPC project in Nigeria received an award from Chevron for 1 million hours worked without an incident resulting in absence from work.
- The Swinoujscie project in Poland received a 'Safe Building Award' from the Health and Safety Inspectorate, for the safest building site in the region.
- The Gorgon Project in Australia received a 'Certificate of Appreciation' from Chevron for over 2.6 million hours worked without an incident resulting in absence from work.
- Boskalis Terramare received an award for the most safe employer in Finland.
- SMIT UK received the 'RoSPA Gold Award' from the Royal Society for the Prevention of Accidents, in recognition of its high health and safety standards.
- SMIT's Union Manta received an award from BP for 150,000 hours worked without an incident resulting in absence from work.
- SMIT Terminals Sudan received an award from Greater Nile Petroleum Operating Co. Ltd. for 2,5 million hours worked without an incident resulting in absence from work.
- SMIT Terminals Russia Sakhalin received an award from Exxon Neftegas Ltd. for their outstanding SHE-Q performance.
- KST Brunei Marine received an award from Shell Brunei for 1 million hours worked without an incident resulting in absence from work.
- Lamnalco Marabou received an 'Outstanding Safety Performance Award' from Maersk Oil Qatar AS.



GLOSSARY

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

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

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

CO₂ Carbon dioxide is an odorless and colorless gas and exists in the Earth's atmosphere. Carbon dioxide is a greenhouse gas (source Wikipedia).

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

EBITDA Group earnings before the result of associated companies, interest, tax, depreciation, amortization and impairments.

Fallpipe vessel Vessel that moves over the area to be covered, while dumping the stones on board through a fallpipe. The vessel is kept in place by a dynamic positioning system in which the propellers and rudders are controlled by an automatic system. The end of the pipe is located just a few meters above the level of the surface to be covered. The fallpipe is controlled using a precise positioning system. The fallpipe vessel Seahorse can also be equipped with an A-frame on the aftship and a grab controlled by an ROV (Remotely Operated Vehicle). This makes it possible to dredge down to depths of 1,000 meters.

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

HFO Heavy Fuel Oil.

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

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

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

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

LTIF Lost Time Injury Frequency. Expresses the number of workplace accidents serious enough to result in absence from work, per 200,000 hours worked.

MDO/MGO Marine Diesel Oil/Marine Gas Oil.

SHE-Q Safety, Health, Environment-Quality

Trailing suction hopper dredger A self-propelled unit that loads its well or hopper using centrifugal pumps and pipes that trail over the bed as the ship sails. Trailing suction hopper dredgers can operate independently of other equipment and can transport material over long distances. The dredged material is dumped through flaps or bottom doors, by rainbowing, or pumped onto land using a pipeline.

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

COLOPHON

Should you have any comments or suggestions after reading this report, you are kindly requested to contact:

Martijn L.D. Schuttevâer
Director Investor Relations & Corporate Communications
Telephone: +31 (0)78 6969822
Email: csr@boskalis.com
Website: www.boskalis.com



RECYCLED
Paper made from
recycled material
FSC® C092577

Royal Boskalis Westminster N.V.

Rosmolenweg 20
PO Box 43
3350 AA Papendrecht
The Netherlands

csr@boskalis.com
T +31 78 6969000
F +31 78 6969555

www.boskalis.com

