

CSR REPORT 2014



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This report was drafted in accordance with the international guidelines of the Global Reporting Initiative (version G3-1), level B.

The CSR accounting principles for 2014 changed due to the implementation of the new IFRS 11 Joint Arrangements. As a result, joint ventures and associated companies and other companies in which the Group does not have control have been excluded from the CSR data. Applying the same financial consolidation principles to CSR data helps us to establish the sustainability indicators, which can be compared directly with financial data, thereby providing context for our performance. To secure comparability, the CSR data for 2013 have been re-stated accordingly.

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

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

The CSR Report can be found on www.boskalis.com/csr and www.boskalis.com/annualreports.

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STATEMENT FROM THE CEO

Dear reader,

This is our sixth CSR report. We have been working unremittingly in recent years on improving our sustainability performance and we are proud that we have made progress again this year in a range of areas.



Corporate Social Responsibility has become an integral component of our strategy and operations. Despite ongoing economic uncertainties in the world, we are seeing a rise in demand for sustainable solutions for complex maritime infrastructures and in our branch of industry, we want to lead the way in this development. This report shows how, in the broad spectrum of our markets and clients, our solutions can generate shared value for our clients, the environment and society as a whole.

LIFE CYCLE RESPONSIBILITY

We see innovation and enhanced sustainability in the chain as one of the core components of our CSR strategy. We work, often in partnerships, on innovative solutions to make the supply chain more sustainable. Following on from our Meet the Buyer program that started 2011, we organized another three Meet the Buyer sessions in 2014. Eighteen selected suppliers were invited and they talked to us about themes that included energy reduction, alternative fuels and human rights aspects. We selected five initiatives from the proposals that were presented at the meetings and we will be elaborating them further together with our suppliers over the next three years.

In the chain, we have a code of conduct for our suppliers and we conduct an annual implementation scan to assess compliance. This year, a group of twenty suppliers were visited in ten European countries and in North Africa. We help suppliers with sub-standard scores to improve their performance. This approach is working. Five companies who still had sub-standard scores in 2013 have now improved their performance satisfactorily. Our sustainable procurement initiatives have received recognition: Boskalis won the 2014 Dutch Sourcing Award.

OUR SOCIAL PERFORMANCE

Our activities inherently have a relatively high risk profile. The safety of our employees and of our sub-contractors are a core value and they receive the highest priority. Within the company, our safety program *NINA* (No Injuries No Accidents) is familiar to everyone. Since it was introduced, the accident rate – LTIF – has been reduced by no less than 87% from 0.67 to 0.09 in 2014. In line with the 2014-2016 Corporate Business Plan, preparations were made for the introduction of the new divisional structure during the course of the year under review. That structure has now been implemented. The expansion of our portfolio as a result of the acquisition of SMIT, Dockwise and Fairmount requires a more focused approach to directing our strategic activities. Employee representatives were at all times closely involved with the establishment of the new organization model and gave their approval.

Sponsoring and donations are an indispensable part of our CSR policy and they focus on the areas, and particularly the communities in those areas, where Boskalis is active. In November 2014, Boskalis was awarded the SponsorRing in the Society category for the Beach Cleanup project.

OUR ENVIRONMENTAL PERFORMANCE

Boskalis is progressive and innovative in eco-engineering. Our eco-engineering solutions are based on the Building with Nature innovation program in which we have been developing knowledge and design guidelines for maritime infrastructure since 2008. That involves fulfilling customer requirements and the demands of society, as well as creating new opportunities for nature. The Building with Nature pilot in Indonesia presented in this report is a good example of this approach. The program is being executed by the EcoShape consortium, a cross-sectoral partnership in which Boskalis was one of the initiators. The consortium includes government agencies and research institutes

in addition to private parties. The NGO Wetlands International joined in 2014.

In 2013, the NGO Shipbreaking Platform recognized us as an industry leader for our sustainable ship dismantling program. In 2014, we further elaborated our partnership with a yard in Mexico, contributing knowledge through intensive collaboration so that the yard could comply with our requirements relating to the sustainable dismantling of our vessels. We also invited the Shipbreaking Platform to inspect the dismantling process through a site visit in Mexico. Together with the yard, we were able to complete the sustainable dismantling of the cutter suction dredgers *Mercurius*, *Para* and *Amstel* in 2014.

We hope this report will provide you with a clear picture of our CSR performance, which is made possible by the talent and dedication of our colleagues throughout the world and unceasing support from our clients, shareholders and other stakeholders, whom we wish to thank here. We appreciate your suggestions for any improvements in our CSR policy and our reporting in this area and look forward to a constructive dialogue with you.

On behalf of the Board of Management



Peter Berdowski

SUSTAINABLE SHIP DISMANTLING TAKEN TO THE NEXT LEVEL IN MEXICO



The dismantling of the cutter suction dredger Para

When the need arose for sustainable dismantling of three cutter suction dredgers in Mexico, Boskalis found a local yard that was willing to change its working methods to meet Boskalis' requirements.

When a decision is made to dismantle equipment, Boskalis takes great care to ensure the yard and scrapping process comply with international environmental requirements. In fact, Boskalis goes beyond simple compliance. For that reason Boskalis has been recognized by the NGO Shipbreaking Platform as an industry leader.

The global presence of Boskalis means the company needs dismantling alternatives in various regions worldwide. Although it has been suggested that old ships should be returned to specific yards for scrapping, this is not always a practical, financially feasible or an environmentally sound alternative. Moving non-self-propelled vessels from the west coast of Mexico to Europe is simply not a viable alternative due to the transportation costs and associated carbon emissions.

CREATING A SUSTAINABLE DISMANTLING YARD IN MEXICO

As a result, when Boskalis was faced with the scrapping of three old cutter suction dredgers on the west coast of Mexico, the search was on for a suitable facility. It soon became apparent that there were no suitable yards on the Pacific coast of the American continent, ready to dismantle a ship in a sustainable way in line with the Hong Kong Convention and Boskalis standards. The dilemma was shared with the NGO Shipbreaking Platform, and it was decided that Boskalis would seek a yard that had the potential to become a compliant facility. After visiting several possible yards, the ISP/Amaya Curiel yard, located in Ensenada on the Baja peninsula, was chosen by Boskalis' local experts.

Roberto Curiel, owner, (ISP/Amaya Curiel): "Our yard was only two years old when we were approached by Boskalis in 2013 to dismantle their vessels. We were interested in new opportunities and were willing to make improvements. The first prerequisite for Boskalis was that the yard had to have a large hard surface and that we already had, a concrete dry dock for repairs. The second



Alberto Prado, Fleet Manager at Boskalis explains: "A thorough preparation of a vessel is critical to sustainable dismantling. No one knows our equipment better than Boskalis and by sharing the know-how we contribute to the success of the dismantling. As a standard policy, we make an Inventory of Hazardous Materials (IHM) on all vessels. In the case of the Amstel, we also decided to remove hazardous materials ourselves and cleaned all the oil and fuel tanks before the ship was towed to Ensenada. We also removed parts from the vessel that could be reused on other ships within the Boskalis fleet. Once the ship was in dock, we had two of our own technical superintendents on site to monitor the progress. During this time, we made suggestions on how the dismantling could be improved which frequently was of a procedural nature."

Roberto: "Boskalis wanted third party certification of the work. Although we are used to working with certification from local authorities, the Boskalis demands were stricter. As a result, scientists from the Marine Science department at the University of Baja California were brought in to monitor air, water and soil quality and the disposal of hazardous materials."

Merijn: "The approach to dismantling is a testimony to how serious Boskalis is about applying the international conventions to its recycling activities. The Boskalis technical superintendents on site showed passionate commitment to the clean and safe recycling of the vessels. They took abstract principles and turned them into practical applications and invested time to find a dry-dock facility on the other side of the world which clearly has the potential to meet the highest international standards. I encourage Boskalis to keep sharing their knowledge to help the yard progress and to communicate transparently about their recycling practices since this sets a positive example in the maritime industry. Ultimately, this approach will help to transform a historically 'dirty' shipbreaking industry into a recycling industry with a positive image."

LEADING BY EXAMPLE

Roberto: "Change is always met with resistance. That is human nature. Boskalis sent over two engineers to supervise the work. They were very dedicated and had a high regard for compliance with international principles. Sometimes in the beginning that was stressful for our employees. But the Boskalis people were willing to discuss and explain why certain things had to be done. These discussions were constructive. Working with Boskalis has raised our awareness about the environment. It gave us the experience to work in a different, more responsible way.

The whole world is moving in the direction of environmental responsibility. We want to be in the forefront in our country. I see the industry going in that direction over time, with more oversight and restrictions, and that is how it should be. Boskalis gave us the opportunity to improve our operations by sharing their knowledge and showing us what is going on in the wider world."

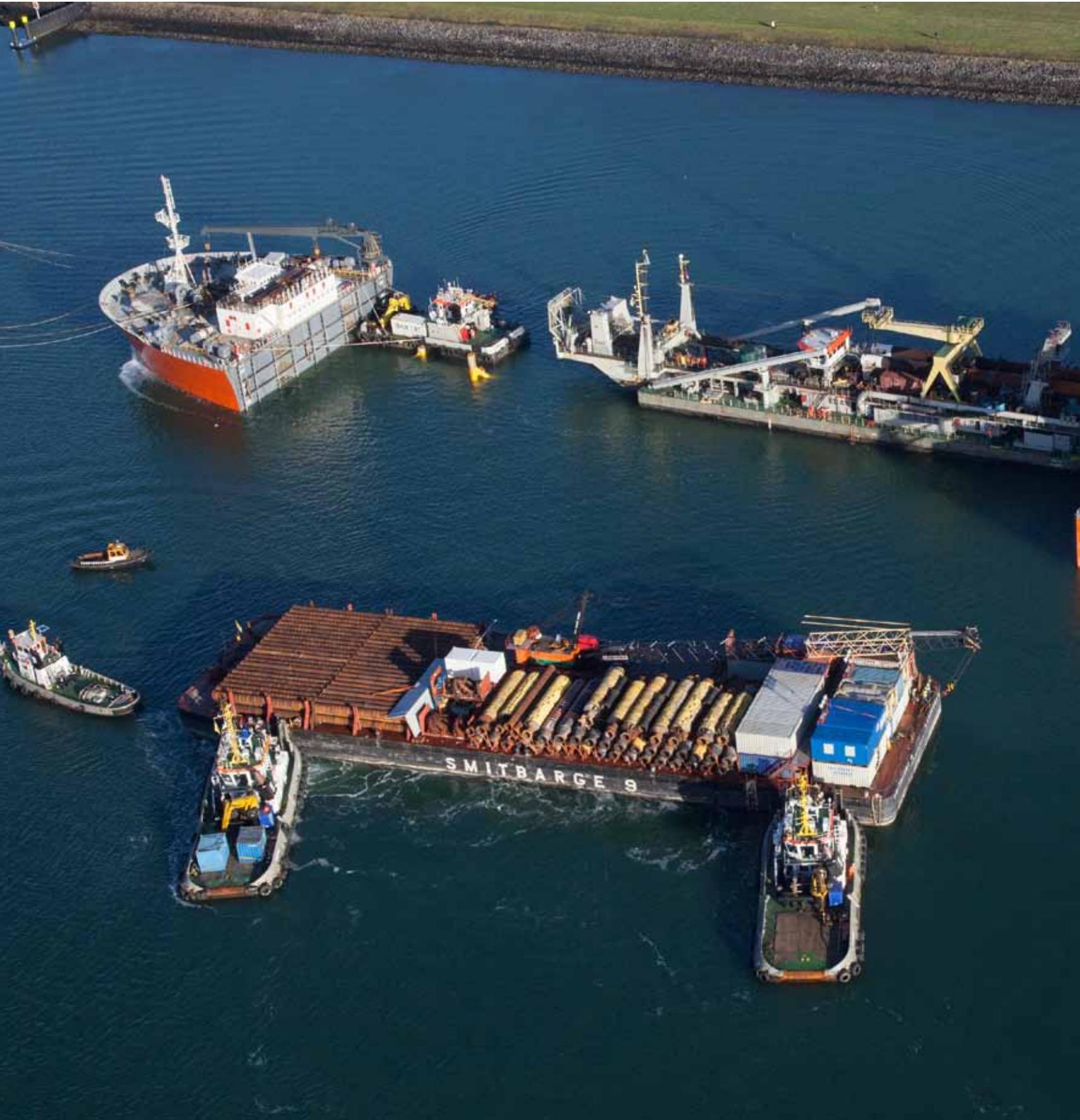
Martijn Schuttevaer, Director Corporate Communications at Boskalis: "When we decided to have our vessels dismantled at the Amaya Curiel yard, we knew that the yard did not meet all of our requirements. The decisive factor was the potential of the yard and the commitment from the owner. I am pleased we were able to share what we accomplished in Mexico with the NGO Shipbreaking Platform."

requirement was that the yard had to be willing to allow Boskalis experts to supervise the dismantling process."

An independent audit was instructed by Boskalis and was carried out by classification society Germanischer Lloyd. Subsequently, in 2014 the pilot project to dismantle the Para and the Mercurius was carried out. Based on the lessons learned from these two vessels, the dismantling procedures were further improved.

In December 2014, during the scrapping of the cutter suction dredger Amstel, Merijn Hougee, board member of NGO Shipbreaking Platform visited the yard with representatives from Boskalis and met with Roberto Curiel (owner of the yard) and representatives of the University of Baja California.

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PROFILE AND SERVICES

Royal Boskalis Westminster N.V.
(Boskalis) is a leading dredging
& marine expert creating new horizons
for all its stakeholders.

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

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

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

Boskalis has around 8,500 employees, excluding our share in associated companies. The safety of our own employees and those of our subcontractors is paramount. Boskalis operates a progressive global safety program which is held in high regard in the industry and by our clients. We operate on behalf of our clients in over 75 countries across six continents. Our versatile fleet consists of 1,000 vessels and equipment. Our head office is based in the Dutch city of Papendrecht. Royal Boskalis Westminster N.V. shares have been listed on Euronext Amsterdam since 1971 and included in the AEX index.

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

DREDGING & INLAND INFRA

Traditionally, dredging is the core activity of Boskalis. It involves all activities required to remove silt, sand and other layers from the water bed and in some cases using it elsewhere, for example for coastal protection or land reclamation. The services we provide also include the construction and maintenance of ports and waterways, and coastal defense and riverbank protection, as well as associated specialist services such as underwater rock fragmentation. In addition, Boskalis is active in the extraction



A cutter suction dredger deepening and widening a navigation channel in Qatar

of raw materials using dredging techniques. Our global spread, high professional standards, versatile state-of-the-art fleet and conscious focus on cost efficiency have earned us a recognized position as a global market leader in dredging.

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

OFFSHORE ENERGY

With the offshore services of Boskalis and our subsidiaries Dockwise and Fairmount we support the activities of the international energy sector, including oil and gas companies and providers of renewable energy such as wind power. We are involved in the development, construction, maintenance and decommissioning of oil and LNG-import/export facilities, offshore platforms, pipelines and cables and offshore wind farms. In performing these activities Boskalis applies its expertise in the areas of heavy transport, lift and installation work, as well as diving and ROV services complemented with dredging, offshore pipeline, cable and rock installation. With VBMS (50% owned by Boskalis) we are a leading player in the European market for offshore cable installation.

TOWAGE

In ports around the world assistance is provided to incoming and outgoing oceangoing vessels through Boskalis' joint ventures

and associated companies Keppel SMIT Towage, SAAM SMIT Towage and the forthcoming joint venture with Kotug. In addition we offer a full range of services for the operation and management of onshore and offshore terminals through Smit Lamnalco, which is 50% owned by Boskalis. These include assistance with the berthing and unberthing of tankers at oil and LNG terminals and additional support services such as pilotage, subsea inspection and maintenance, firefighting, and the coupling and uncoupling of terminal connections. With our versatile fleet of over 450 vessels we assist vessels in over 90 ports in 35 countries, including oil and chemical tankers, container ships, reefers, RoRo ships and mixed cargo ships.

SALVAGE

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

POLICY, STRATEGY AND OBJECTIVES



POLICY

Urbanization, economic development, climate change and more extreme weather represent a challenge for the sustainable socio-economic development of deltas and coastal regions. In addition, mining firms and oil and gas companies are taking their search for ore, oil and gas ever further, and that includes developing sensitive areas. As a result, sustainable initiatives have become essential throughout the spectrum of our services.

Boskalis supplies services to clients in specific market segments and in seven geographical regions. We focus on sustainable, long-term growth. Long-term profitability is a material condition for achieving our corporate goals and for the continued growth of our company. It is a measure of the company's efficiency and of the ultimate value that clients attach to the services we supply. Without profit and without a robust financial base it would not be possible to meet our responsibilities.

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

STRATEGY AND OBJECTIVES

Our CSR policy focuses on the key areas which are of material importance to ourselves and our stakeholders, where we have a significant impact and which we are able to influence. The dialogue with our stakeholders about our mutual needs and interests is one of the cornerstones of our CSR policy.

In our policy and strategy, we follow our general business principles, which are based on international guidelines such as the United Nations Universal Declaration of Human Rights.

Our corporate strategy, the dialogue with our stakeholders and the results of benchmark tests have resulted in our CSR strategy, which is based on the three pillars below. For a detailed description of our corporate strategy, please refer to pages 10-14 of our 2014 Annual Report.

FOCUS

Our solutions create shared value for our clients, the environment and society. That sets us apart from our competitors. The wide diversity of our markets and clients means that we must engage in different emphases and priorities. We use the tailored solutions that we can offer with our eco-engineering capacity to optimize project feasibility, both for clients at the top end of the S curve – who want us to provide integrated, innovative services or turnkey solutions – and for clients at the bottom of the curve who are looking for relatively straightforward, standard services. Our eco-engineering solutions are based on the Building with Nature philosophy (see also pages 53-57 of this report.) Our long-term objective is to apply that philosophy to all our projects. For the short-term we aim to execute a least one Building with Nature type project per year.

EXPAND

We see innovation and greater sustainability in the supply chain as one of the core components of our CSR strategy. To make our supply chain more sustainable still, we will intensify and deepen of the dialogue with second-line suppliers within our Dredging and Offshore Energy activities. Together with our supply chain partners, we are continuing to work on innovative developments in the area of cleaner engines and environmentally friendly fuels,

energy savings, the sustainable dismantling of our vessels, as well as cradle-to-cradle and recycling concepts. In the chain, we have a code of conduct for our suppliers and we conduct an annual implementation scan to assess compliance.

It is our ambition to increase the sustainability of the supply chain. The pace will depend in part on economic feasibility. Our short-term ambition focuses on the next three years, with the aim being to tackle, on the basis of the Meet the Buyer meetings, five initiatives in collaboration with our partners that have the potential to further enhance the sustainability of the chain.

In addition, we wish to extend our implementation scans further to cover second-line suppliers and include more suppliers located outside Europe.

Safety is a core value for us. In our Dredging division, our safety program *NINA* (No Injuries No Accidents) has already been implemented widely for a number of years now and it has, in the meantime, become a self-evident part of our working procedures. The implementation and acceptance of *NINA* is also a high priority in the Offshore Energy division. Introduction and staff training began in 2013 and in 2015 the program will be introduced within Dockwise. Our goal continues to be No Injuries No Accidents.

STRENGTHEN

In line with the 2014-2016 Corporate Business Plan, preparations were made for the introduction of the new divisional structure during the course of 2014. Our CSR reporting system will be adapted accordingly and further streamline in 2015. Our aim is to be reporting in accordance with the GRI4 guidelines within three years and to have the entire CSR report verified by an independent assurance provider.

To further strengthen our organization, we are investing in the development and well-being of our colleagues. For us, they are indispensable in terms of performing our work effectively and in terms of their contribution to our leading market position. Our training program is constantly being developed so that we continue to respond to market demands.

We take a more detailed look at this area elsewhere in this report.

CORPORATE GOVERNANCE

MANAGEMENT AND REPORTING

Boskalis operates a two-tier board model, which means that management and supervision are segregated. The Board of Management is responsible for the day-to-day management of the business, and for setting out (and realizing) the company's long-term strategy, managing the associated risks, the result and entrepreneurial aspects relevant to the business. The Board of Management is responsible for establishing the company's objectives, implementing its business policies and for the resulting performance.

The Board of Management is accountable to the Supervisory Board and the General Meeting of Shareholders. In performing its tasks, the Board of Management is guided by the interests of the company and its activities, and takes into account any relevant interests of stakeholders involved with the company. The Supervisory Board is responsible for supervising management performance and advising the Board of Management. At Boskalis, there is close collaboration between the Supervisory Board and its committees, the Board of Management and the stakeholders. The Board of Management and the Supervisory Board, pursuant to their own specific duties, are jointly responsible for looking after the interests of our stakeholders; during the course of their work, they focus on the societal implications of entrepreneurship that are relevant for the company.

Providing the most sustainable solutions possible for our clients is a part of the corporate strategy. The remuneration policy and its components is derived directly from the Boskalis



strategic agenda. In addition to economic objectives, it also includes sustainable objectives such as safety and human resource development. The 2014 Remuneration Report states that these CSR factors are part of the long-term corporate objectives. The external auditor is involved with the determination of remuneration and ensures that the procedures drafted for this purpose are correctly applied.

For further details, please read the Remuneration Report on our corporate website www.boskalis.com.

The Board of Management is responsible for the company's CSR policy. The Board of Management seeks advice and information from the following task forces and officers. Two task forces advise the Board of Management about environmental performance: the Energy Management Task Force and the Eco-Engineering Task Force. In addition, the matter of safety has absolute priority in our organization. The Board of Management is closely involved in this topic, and it seeks advice and information from the SHE-Q department. With regard to the HR and society-related objectives,

the Board of Management seeks advice from the HR director and the director of IR & Corporate Communications respectively. For supply chain-related matters, the Board of Management seeks advice from the heads of the business units and relevant staff departments.

The CSR policy is evaluated annually. The outcome determines our strategic priorities and objectives, which topics are of material importance, and which performance indicators are relevant for inclusion in our CSR Report. The report is subject to approval by the Board of Management of Boskalis and its contents are discussed in their entirety with the Supervisory Board.

For the 2014 reports of our Supervisory Board and our Board of Management, our corporate risk management and governance policy and our organization, including the composition of our Board of Management and Supervisory Board, please refer to our 2014 Annual Report, pages 22-26, 30-59 and 138-140 respectively, and our corporate website www.boskalis.com.

GENERAL BUSINESS PRINCIPLES

Our Statement of General Business Principles governs our social, societal, environmental, and economic responsibilities. It is based on international guidelines such as the United Nations Universal Declaration of Human Rights.

Boskalis accepts responsibility for matters within its sphere of influence. National legislation and regulations apply in the countries where Boskalis operates. Boskalis refrains from cultural judgments and acts as a good citizen or guest. Boskalis does not engage in business in countries subject to international, or relevant national, embargoes. Boskalis conducts an assessment of its general business principles at least every two years.

The full text of our Statement of General Business Principles can be downloaded from our corporate website: www.boskalis.com/csr.

INTEGRITY

We do not accept, pay or request bribes or other favors for the purpose of acquiring or bestowing any improper business, financial or personal advantage. We provide our staff with targeted information about regulation and legislation with regard to bribery and corruption such as those enshrined in the UK Bribery Act. Furthermore, we respect intellectual property rights and abide by the principles of fair competition by complying with relevant competition laws.

Agent contracts

In many countries where Boskalis works, it is not possible to be active without a local partner or sponsor. The procedures governing those relationships are set out in contracts. With the help of external legal advisers, the company conducted an additional assessment of the agent contracts in 2013 and revised them accordingly. The evaluation did not identify any irregularities. In addition, a new standard agreement was drafted and implemented. The audits conducted by our external auditor include an assessment of the agent contracts.

Whistleblower protocol

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

MAIN FIGURES AND RESULTS FOR 2014

For information about the key figures and results for 2014, and the company's outlook, we refer you to our 2014 Annual Report, and in particular the Report of the Board of Management (pages 30-59), the Financial Statements (pages 61-131) and the Ten-Year Overview (page 134).

TAX PAYMENTS

We believe that a coherent and responsible position on tax is an important element of our CSR strategy. In that context, we have adopted the following tax principles.

Compliance

Boskalis follows the statutory regulations relating to tax payments and, worldwide, we paid an average of some 15 per cent tax on average over the last five years in more than 40 tax jurisdictions, including more than 10 developing countries. Compliance is monitored within a Tax Control Framework.

Business rationale

Tax follows business and profit is allocated to countries in which value is created in accordance with domestic and international rules and standards and applying the arm's length principle. Boskalis does not seek to avoid taxes through "artificial" structures in tax haven jurisdictions.

Relationship with tax authorities

We seek an open and constructive dialog with tax authorities on the basis of disclosure of relevant facts and circumstances. We aim to enhance clarity and upfront certainty around tax and have covenants in place with Dutch tax authorities.

Transparency

We are transparent about our approach to tax and our tax position. Disclosures are made in accordance with the relevant domestic regulations, as well as applicable reporting requirements and standards such as IFRS.

CSR PERFORMANCE KEY FIGURES	2014	2013
SOCIAL PERFORMANCE		
Workforce training/development hours	144,547	147,171
LTIF	0.09	0.11
SOCIETAL PERFORMANCE		
Number of interns, graduates and doctorate students supervised	124	130
ENVIRONMENTAL PERFORMANCE		
CO ₂ -emissions in metric tonnes (see page 61 for explanation)	1,580	1,350
Investment in Building with Nature (in EUR)	500,000	250,000
ECONOMIC PERFORMANCE (IN MILLIONS OF EUR)		
Revenue (work done)	3,167	3,144
Order book (work to be done)	3,286	3,323
EBITDA	945.9	757.2
Net result from joint ventures and associates	56.4	63.7
Operating profit	652.3	463.4
Net profit	490.3	365.7
RESULTS PER SHARE (IN EUR)		
Profit	4.03	3.09
Dividend	1.60	1.24
Cash flow	6.46	5.56

CERTIFICATION

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

In addition, the BREEAM certification for our offices in Papendrecht, The Netherlands was discussed in 2014. BREEAM is an assessment and certification method for the sustainability performance of buildings. Certification primarily addresses the process of creating furthering awareness of energy consumption and sustainability among the users of a building. We have looked at how we can prepare for the certification and our objective is to obtain this at the two-star level in 2015 for the three main office buildings in Papendrecht.

BENCHMARKS

Boskalis sustainability performance has been appraised using a range of benchmarks in 2014 and approved by various bodies.

- Boskalis once again obtained certification for level 5, the highest level of the CO₂ performance ladder in the Netherlands.
- The NEVI (the Dutch Association for Procurement Management) granted us the Dutch Sourcing Award in the category 'Sustainability' and in the 'Overall' category for setting an example for other companies.
- We finished in 45th place on the listing of 430 invited companies on the Transparency Benchmark of the Dutch Ministry of Economic Affairs in the Netherlands.

- Once again, we participated in the Carbon Disclosure Project, a disclosure platform focused on emissions which is made available to subscribed investors.
- The VBDO (the Association of Investors in Sustainable development in the Netherlands) has ranked us 24 in their Responsible Supply Chain Benchmark.
- The Shipbreaking Platform recognizes us as an industry leader for our sustainable ship dismantling program. They were also involved in 2014 in our work on a Mexican yard to ensure that it complied with our strict standards. (See pages 6-7) of this report.
- The Boskalis Beach Cleanup Tour was awarded the SponsorRing in the Society category. The SponsorRing is an annual award for the best sponsorship initiatives in the Netherlands.
- In addition, we received a range of safety awards. For an overview, please see page 35 of this report.

There is growing interest in our company in other benchmark surveys. Some of these use the Global Industry Classification Standard (GICS), in which Boskalis is classified as a Construction & Engineering Company. This can result in some difficult dilemmas because our profile, for instance in the use of raw materials, does not match this generic classification. In consultation with the analysts, we are continuing to point out the unique nature of our business.

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



The Trenchformer installs a power cable for the Luchterduinen wind farm, with the Ndurance in the background

OUR STAKEHOLDERS

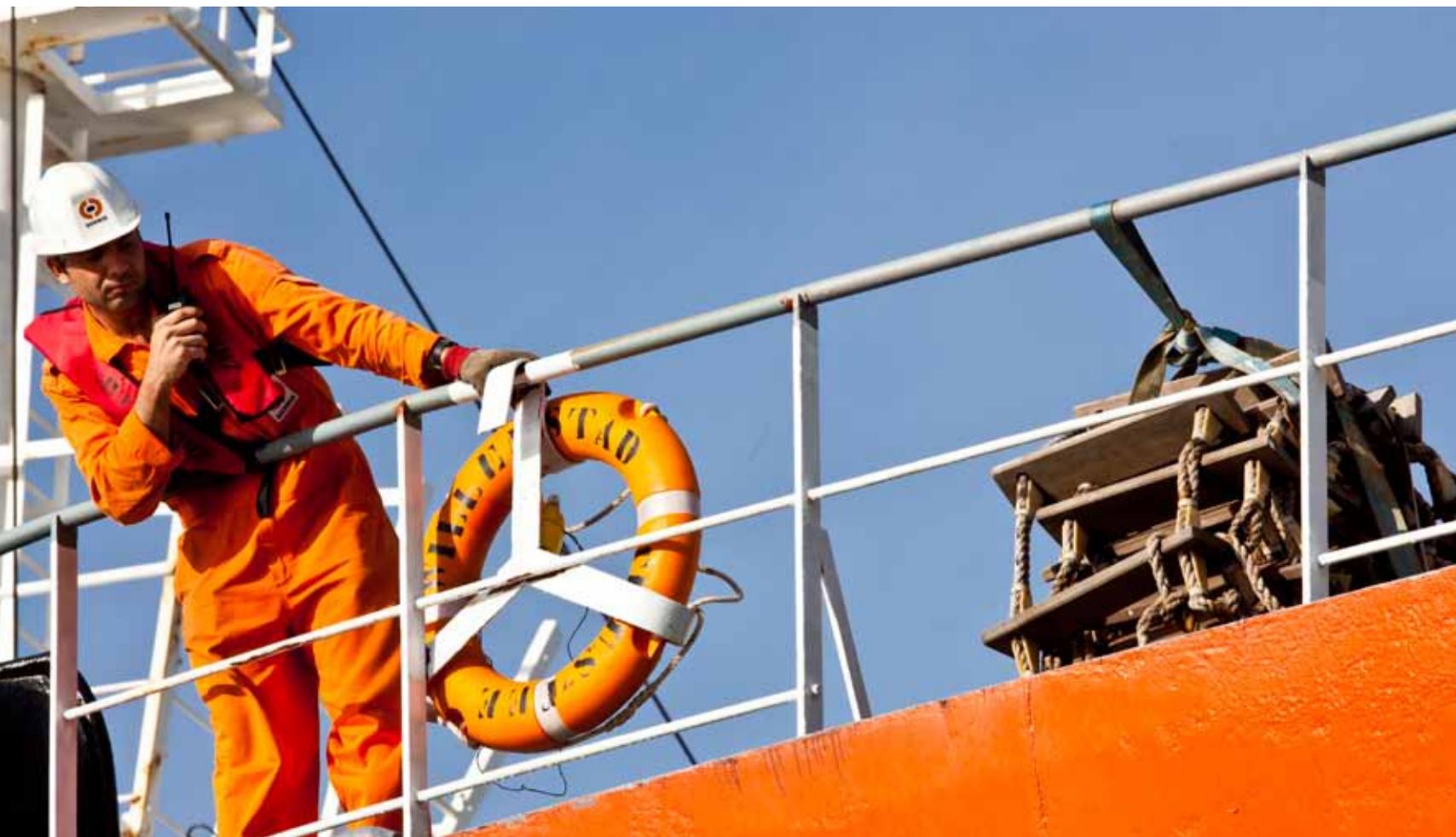
Entering into dialogue with our stakeholders allows us to establish a clear picture of their information requirements and interests, and to foster mutual awareness and understanding.

SELECTION

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

DIALOGUE AND IMPACT

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



CROSS-SECTORAL PARTNERSHIPS

Boskalis is involved in a large number of cross-sectoral partnerships, with the main ones being:

- The Ecoshape Foundation, a partnership with government authorities, research institutes, private bodies and an NGO, which has led Boskalis to invest EUR 3,250,000 over the past seven years in the Building with Nature program. (See also pages 53-57 of this report.)
- Partnerships with Van Voorden, Vosta, Allard and Magotteaux involving the establishment of cradle-to-cradle program for worn out impellers, dredging pumps and pickpoints, and the recycling of more than 2.7 million kilos of material. (See also pages 62-63 of this report.)
- Partnership with Van Beelen for the recycling worn dredging pipes. (See also page 60 of this report.)
- Partnership with SkyNRG for biodiesel for our truck fleet in the Netherlands. (See also page 59 of this report.)
- Partnership with SeaNRG, a SkyNRG sister institute, which we launched in early 2015. SeaNRG is working on the development of a 'drop-in' biofuel for shipping that is expected to comply with stringent sustainability requirements. We have the intention to conduct a pilot project together.
- Partnership with a yard in Mexico, Ensenada, contributing knowledge through intensive collaboration so that the yard can comply with our requirements relating to the sustainable dismantling of our vessels. The shipbreaking platform was also invited and inspected the dismantling activities in December 2014 (see also pages 6-7 of this report.)
- Partnership with NGO The North Sea Foundation, in which we are the main sponsor, in the Boskalis Beach Cleanup Tour (see also pages 47 of this report).
- In addition, we have been involved in a range of partnerships with educational institutions, research institutes and suppliers, and there is local collaboration with NGOs in countries including Nigeria, Kenya and South Africa.

STAKEHOLDER DIALOGUE CHART

STAKEHOLDER	DIALOGUE IN 2014
Employees	See page 43 of this report
Clients	See page 23 of this report
Investors and shareholders	See the Shareholder Information section on pages 16-17 of our Annual Report 2014
Suppliers	See pages 25-27 of this report
Educational and knowledge institutes	See pages 43 and 46 of this report
Local communities	See pages 46-47 of this report
Industry and society associations	See pages 46-47 and 58 of this report
Interested parties	Interested parties can use the special contact option on our website to give us their comments on CSR matters.

OUR VALUE CHAIN





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POLICY AND OBJECTIVES

We see innovation and enhanced sustainability in the chain as one of the core components of our CSR strategy. Our most important chain partners are clients and suppliers.

To make our supply chain more sustainable still, we will be engaging in the ongoing intensification and deepening of the dialogue with our chain partners in our Dredging and Offshore Energy activities by involving our second-line suppliers. Together with them, we are continuing to work, often in cross-sectoral partnerships, on innovative developments in the area of cleaner engines and environmentally friendly fuels, energy savings, the sustainable dismantling of our vessels, and cradle-to-cradle and recycling concepts. In the chain, we have a code of conduct for our suppliers and we conduct an annual implementation scan to monitor compliance.

You can find an overview of the main cross-sectoral partnerships on page 19 of this report. An overview of our related parties and our organization, can be found on, respectively, pages 115-119 and 138-140 of our 2014 Annual Report.



OUR CLIENTS

Our main clients are oil, gas and energy companies, port operators, governments, shipping companies, international project developers, insurance companies and mining firms. Boskalis concentrates on market segments which demonstrate structural long-term growth: Energy and Ports. Within these two market segments we concentrate on seven geographic regions: Northwest Europe, East and West Africa, Middle East, Southeast Asia, Australia, Brazil and the Gulf of Mexico. For an update on the latest market developments, please refer to the 'Strategy' and 'Report of the Board of Management' sections on pages 10-14, 32 and 58 of our 2014 Annual Report.

DIALOGUE AND COOPERATION IN THE CHAIN

A growing group of clients are asking us to act as contract partner from the (pre-) design stage right through to complete execution. This allows us to use our engineering and environmental expertise to the full. In all cases we draw attention to our eco-engineering expertise based on the Building with Nature philosophy. In addition, the majority of our clients embrace our *NINA* safety program. This has resulted in a number of safety awards (see page 35 of this report).

Sharing knowledge, education, information, and exchanging experience with our clients are important to us. These are the core objectives of the 'Dredging and Reclamation' training program established by the sector, to which Boskalis made a substantial contribution. The program has already been completed by approximately two thousand people. Clients – port authorities, engineering firms and government agencies – make up approximately 70-80% of the participants. Talented students from developing countries have also attended the course. As a rule, the course is organized annually in Europe and Asia. In part as a response to requests from people who have attended the course in the past, a second seminar was launched a few years ago: the two-day course 'Environmental Aspects of Dredging'.

OUR SUPPLIERS



Boskalis maintains relationships with around 1,200 suppliers for the central procurement of machinery and hydraulics, electro & survey equipment, wearing and construction parts, and facility goods and consumables. Approximately 200 suppliers are regarded as strategic accounting for 90% of the Central Procurement department's purchasing volume. Over half (around 55%) of our 1,200 suppliers are Dutch companies, 15% are other European companies and 30% are based outside Europe. The Procurement & Logistics general manager is responsible for procurement policy and supplier selection, and reports to group management.

SUPPLIER CODE OF CONDUCT

Boskalis wants to do business with parties who act responsibly and with integrity. We aim to form long-term relationships. All buyers conform to the latest NEVI Code of Conduct. In addition to quality, delivery reliability and price, we also take sustainability criteria into account when selecting our suppliers. We are the first in our sector to work with a Supplier Code of Conduct, adapted from Boskalis' own Statement of General Business Principles. The Supplier Code of Conduct contains selection criteria for sustainable procurement, for example relating to prevention of bribery and corruption, human rights, child labor, working conditions, care for the environment, and safety.

In 2014 we were able to declare our Supplier Code of Conduct to be applicable to 75% of our strategic suppliers, based on the monetary value they report (2013: 73%). These suppliers have signed our framework contract, of which the code forms an integral part. By signing the contract our suppliers declare the Code of Conduct to be also applicable to their own suppliers, who are registered accordingly in the Boskalis systems. The Supplier Code of Conduct and our General Purchasing Terms and Conditions can be downloaded from our website at www.boskalis.com/stakeholders.

2014 IMPLEMENTATION SCAN

We conduct implementation scans of approximately 10% of our strategic suppliers annually, i.e. approximately twenty companies. An independent external consultant assesses how this cross-section of our strategic suppliers works with the selection criteria from the code of conduct on the basis of the Social Responsible Procurement monitoring method of the Chartered Institute of Purchasing and Supply. The procedure is as follows:

- Together with the consultant, we draw up a questionnaire for the discussions. The questions are broken down into the following themes: society (including human rights), the environment, employees, quality, clients and suppliers.
- Implementation scans on location. This is a dual process: we are open to feedback from our suppliers and, in that way, we also learn from them. The aim is to work together on establishing and extending a sustainable value chain. Our suppliers are appreciative of this approach.

- Using a risk matrix, it is possible to determine the risk level that applies to the various suppliers in terms of CSR and its possible impact on Boskalis business operations or Boskalis' reputation. We take leave of suppliers in the segments where there is a significant risk and significant impact. Suppliers in the segment where the risk and impact is high are given the opportunity to improve with our assistance and advice. If we do not see adequate progress, we take leave of these suppliers. The dialogue with the other suppliers is structured on the lines of the matrix in this chapter.

IMPLEMENTATION SCAN COMPLETED FOR 60 OUT OF 200 STRATEGIC SUPPLIERS

The implementation scans were conducted for the first time in 2012. Over the course of three years, we have completed the scan for 60 unique suppliers. This year, we visited a group of 20 companies in ten European countries and in North Africa. Also in 2014 we visited 20 suppliers. In 2015, we will extend the scope to visit suppliers outside Europe. In addition, in 2014, we provided assistance and advice for five companies whose scores were inadequate in 2013 and repeated the implementation scan for those companies. In the meantime, those companies have improved their performance and they have now attained the 'average risk' level. The improvements relate to chain responsibility, policies relating to quality, working conditions and the environment, and internal communications about CSR. The 2014 implementation scan included a visit to a supplier whose scores were inadequate and who was considered to represent a significant risk with an average impact. In addition a visit was made to a supplier who was considered to represent a high risk with an average impact. With these two suppliers we initiated the intended dialogue in which we engage in ongoing adjustments and work together on improving their CSR performance. In view of the importance we attach to respect for human rights, we tightened up our questionnaire in this area in late 2014 and discussed it with the two remaining suppliers in the implementation scan process. With effect from 2015, this new questionnaire will be used in all discussions. Compliance with the Code of Conduct by other suppliers who were not subjected to an implementation scan is assessed in operational observations by our buyers, who have received the relevant training.

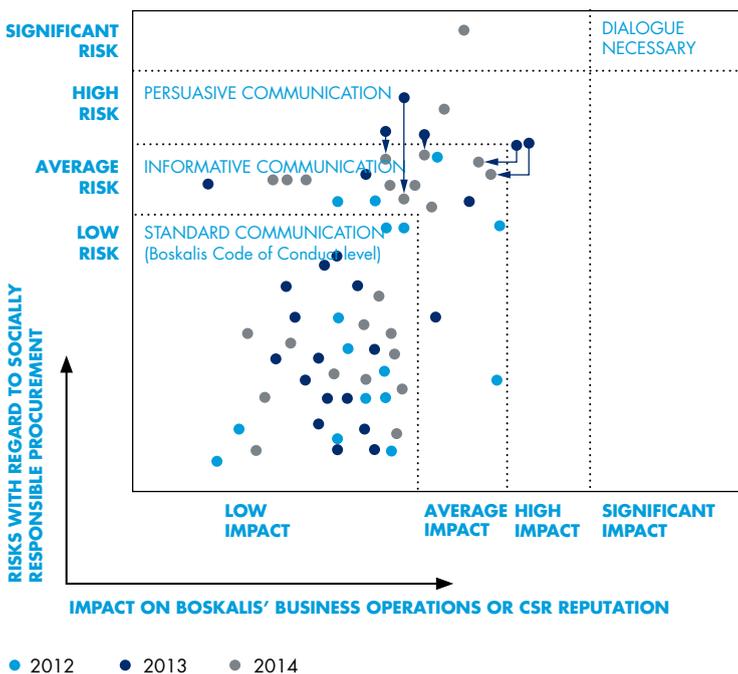
IMPLEMENTATION SCAN FOR SECOND-LINE SUPPLIERS

In 2014, we also started to conduct implementation scans of second-line suppliers in our chain. These are suppliers who act as subcontractors for our strategic suppliers. We visited a workshop in Tunisia that makes Boskalis working clothes for a Dutch supplier. We applied the same method as in the implementation scans used for our first-line suppliers. The resulting assessment for this second-line supplier was positive. Our objective is to extend the implementation scans to include more of our second-line suppliers.



Removal of a grounded naval vessel in Philippine territorial waters by SMIT Salvage

CSR IMPLEMENTATION SCAN - SUPPLIERS OVERVIEW PER YEAR



Legend:

- Standard communication; such as sending and signing the Supplier Code of Conduct to the supplier without further instructions.
- Informative communication; is about explaining the reasons of why Boskalis stands for CSR. Suppliers can further work on CSR by themselves.
- Persuasive communication; communication focused on convincing the supplier, to make sure they improve on CSR-themes.
- Direct dialogue; is the continuous dialogue with the supplier, focused on helping the supplier to perform better.

MEET THE BUYER MEETINGS

We exchange ideas with suppliers and pool innovations that can result in more sustainable applications or choices. Following on from three Meet the Buyer meetings in 2011 with fifteen of our strategic suppliers, we worked with them on a number of chain initiatives.

- The test with GTL on one of our tug boats in the port of Rotterdam was a success. Using this cleaner fuel has reduced NOx emissions by an average of 9.5% and it could therefore make a substantial contribution to the achievement of the NOx reduction targets for the port of Rotterdam. However, the introduction of this more expensive fuel is only feasible if our clients are actually prepared to invest in it.
- The trial with biodiesel in Boskalis Nederland trucks was completed successfully. We have purchased 250,000 liters of this innovative fuel, widening the market for the supplier, SkyNRG. Using 250,000 liters of this cleaner fuel resulted in a saving of 148MT CO₂, a cut of 10% in NOx emissions, and a reduction of 30% in SOx and particular matter emissions.
- In 2015, we launched a partnership with SeaNRG, a SkyNRG sister institute. SeaNRG is working on the development of a 'drop-in' biofuel for shipping that is expected to comply with stringent sustainability requirements. We have the intention to conduct a pilot project together.
- We have established a process with Beelen Groep for recycling worn floating dredging lines. We have also established cradle-to-cradle chains with the foundries Van Voorden, Allard and Magotteaux for worn impellers, dredging pumps and with Vosta for pickpoints (please refer to the theme text on pages 62-63 of this report). Since this initiative began, more than 2.7 million kilos of material have been delivered and recycled.

In 2014, we organized another three Meet the Buyer meetings. Eighteen suppliers were invited to talk to us about the themes of energy reduction, alternative fuels, and human rights in the supply chain. It is our aim to engage, on the basis of these Meet the

'BOSKALIS STANDS OUT IN THE CREATION OF A SUSTAINABLE VALUE CHAIN'

Lara Muller is a member of the 'Land, Real Estate & Construction' steering group of the United Nations Global Compact, the Esconetwerk Strategy Council and of the International Sustainability Alliance. She advises numerous companies, including companies in the maritime sector, about sustainability. 'The way Boskalis works with suppliers in particular represents genuine best practice in the maritime world. The implementation of a code of conduct is not a paper exercise at Boskalis: the company really does seek to establish a dialogue with suppliers. Boskalis engages actively in discussions with suppliers and also appoints an independent objective organization to assess suppliers' sustainability standards. And then Boskalis even goes as far as to provide practical assistance and advice for individual suppliers to raise their sustainability levels.' Lara Muller believes that the way Boskalis engages with suppliers opens up new opportunities, both commercial and environmental.

Buyer meetings, in five initiatives with our chain partners over three years that will result in more sustainability in the chain. We will report on developments in this area in subsequent CSR reports.

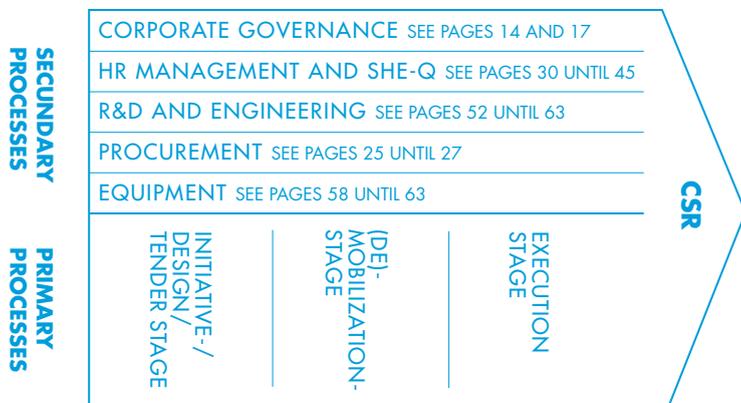
WINNER OF DUTCH SOURCING AWARD

Our initiatives in the area of sustainable sourcing have been recognized and won an award: Boskalis won the 2014 Dutch Sourcing Award (DSA). This annual award is an initiative of the NEVI (the Dutch Association of Procurement Management). Ten jury members led by Jacques Reijnders, the professor of Procurement Management at Nyenrode Business University, awarded Boskalis first prize in the Sustainability category 'for the way in which procurement acted as the driver for the current sustainability climate at Boskalis. Procurement was able to transform this change into a large number of projects with impressive results.' Boskalis also won the overall award for how it led the way for other companies.



IMPACT IN THE CHAIN

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



INITIATIVE/DESIGN/TENDER STAGE

By getting involved at an early stage in a project or contract, we can work with clients to make the most sustainable design possible and to select working methods that are the best fit with the technical requirements and relevant environmental standards. We contribute our (eco-)engineering expertise to our Dredging and Offshore Energy activities to ensure optimal integration in the natural environment, while taking the interests of all stakeholders into account.

EXECUTION STAGE

It is during this phase that we have most impact on people, environment and society. We make it possible for our stakeholders to extend their horizons and to create economic value by building

and maintaining ports and fairways, offshore services and towage services. With our land reclamation activities, we create space for new residential, commercial and recreational developments. Our coastal and riverbank defense activities provide protection against floods. Our wreck removal, salvage and rescue work contribute to the safety of people and a cleaner environment. In addition, our work has a relatively high safety risk profile and operations impact local communities. Our equipment produces emissions and some of our working areas include ecologically vulnerable areas. Our approach to managing and mitigating these risks is described further in 'risks and opportunities in the chain' in this chapter.

MOBILIZATION/DEMobilIZATION STAGE

The equipment we deploy on our projects sometimes has to be mobilized over long distances, for example from Europe to South America, and then demobilized again after completion of the project. Our logistical operation is aimed at doing this as safely and efficiently as possible. This allows us to reduce fuel consumption and the associated burden on the environment, and also to save costs. The worldwide operations of Boskalis mean we transit high-risk areas like the Gulf of Aden and the Indian Ocean. The Dockwise vessels in particular are vulnerable to piracy due to their semi-submersible design and accompanying features. They provide relatively easy access to pirates. In order to protect the Dockwise crew, cargo and vessels when transiting high-risk areas, the Dockwise management decided in 2011 to include armed protection as an additional anti-piracy protection measure. The precautions include armament and the deployment of highly trained Vessel Protection Detachments (VPDs) on board the vessels. In 2014 Dockwise had 23 voyages through high-risk areas assisted by VPDs (armed marines of the Royal Dutch Navy).

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

RISKS AND OPPORTUNITIES IN THE CHAIN

Effective management of both risks and opportunities is essential to the successful implementation of our strategy. We have taken steps to ensure that risks and opportunities are identified, quantified and monitored, particularly in relation to the preparation and execution of projects, and these activities are managed centrally from the head offices in Papendrecht.

A detailed description of the risk management and the management processes with respect to the main strategic, operational and financial risks can be found on pages 49-54 of our 2014 Annual Report. We provide an indication below of how we mitigate the main social and environmental risks in our chain.

Furthermore, you can find additional information on our corporate website: boskalis.com/csr.

RISKS AND MEASURES	FOR MORE INFORMATION:	
Safety	Our activities have a relatively high safety-risk profile. The safety of our colleagues and subcontractors is a core value. Our central objective is No Injuries No Accidents, and we have a pioneering safety program <i>NINA</i> with that aim in mind.	Pages 33-37 of this report
Qualified personnel	Our industry requires highly qualified workers and experienced professionals. We take steps to recruit and retain them, and give them opportunities to develop.	Pages 38-45 of this report
Impact on local communities	Our work can have an effect on local communities. We devote considerable attention to location management, encourage local sponsoring, and use the services, when possible, of local employees, subcontractors and suppliers to manage this impact.	Pages 46-47 of this report
Bribery and corruption	We do not accept, pay or request bribes or other favors for the purpose of acquiring or bestowing any improper business, financial or personal advantage. This issue is addressed not only in our own business principles but also in our Code of Conduct for Suppliers.	Pages 16 and 25 of this report
Human rights and child labor	We believe that our activities generate opportunities for improvements to the living conditions and welfare of the societies where we work. We support fundamental human rights as stated in the United Nations Universal Declaration Of Human Rights. This issue is addressed not only in our own business principles but also in our Code of Conduct for Suppliers.	Pages 16 and 25 of this report
Emissions and energy consumption	Both individually and in conjunction with suppliers, sector organizations, research institutes and NGOs, we continue to work on environmentally friendly working methods, advanced monitoring techniques, and environmentally friendly and energy-efficient equipment to reduce emissions and energy consumption.	Pages 58-61 of this report
Maintaining biodiversity and ecosystems	We have a reputation in the market for our environmental expertise. Once our clients have decided to build maritime infrastructure, we can make an active contribution to the most sustainable possible implementation. Our eco-engineering solutions produce shared value for our clients, the environment and society.	Pages 53-57 of this report
Sound water use	We have a responsible approach to ballast water. Two pilot projects with innovative treatment systems were launched at Dockwise in 2014. We will be reporting on those projects in further detail in a subsequent CSR report.	Page 60 of this report
Waste	Where possible, we use recycling in our supply chain, for example by recycling worn pump casings, impellers, pickpoints, and floating dredging pipelines. We received an award from the Shipbreaking Platform in 2013 for our sustainable dismantling program.	Pages 60 and 62-63 of this report

OUR SOCIAL PERFORMANCE





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POLICY AND OBJECTIVES

Our social performance focuses on our employees, with their safety, development and well-being as our principal objectives. They are essential to performing our work effectively and help us to maintain our leading market position. We also encourage the environmental awareness of our employees and people working for us.

In addition, our efforts are geared to making contributions to society in the form of investments in education and research, supporting communities (local and otherwise), and community sponsoring and donations

NINA reflection session at the Offshore Energy division



SAFETY

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

This is also the name of our progressive safety program, which is generating a great deal of positive interest from both inside and outside the industry and amongst our clients. *NINA* is not just about procedures, it also fosters ownership and creates a safety-driven mindset. Five short and clearly worded values with five supporting rules provide the framework designed to help prevent incidents.

NINA brings people together by challenging them about their own contribution to safety and by making open discussions about safety possible. In our company, which has expanded rapidly with the acquisition of SMIT, Dockwise, MNO Vervat and Fairmount, *NINA* has proven to be an important theme in terms of making integration a success. *NINA* is part of our identity; the norms and values make it clear what we stand for, and engender a sense of pride. Whenever we introduce *NINA* to a new part of the business, we see how the program makes it easier to embrace the shared identity. That positive energy can be felt throughout the company.



CURRENT STATUS OF NINA

The extent to which *NINA* has been implemented varies in our organization. The philosophy has been familiar to Dredging for some years now, where *NINA* is widely accepted and has now become a natural component of the work. The introduction to the Offshore Energy division began in 2013. Introduction at Salvage and Dockwise, and for the former MNO Vervat employees working for Boskalis Nederland, will take place in 2015. Ultimately, then, *NINA* will be rolled out throughout the organization. Given our strategy to place the towage activities in joint ventures, Towage has its own safety program that is being coordinated with the relevant joint-venture partners.

In addition to the aim of implementing *NINA* throughout the organization, every business unit will be asked in 2015 to investigate one serious safety incident every quarter and to evaluate it in the light of the *NINA* values and rules. Until now, the emphasis has primarily been on creating ownership and commitment to safety throughout the organization. Incident investigations will now be conducted on the basis of the *NINA* norms and values, giving an additional impulse and moving our safety policy forward.

NINA WORKS

The figures are convincing: *NINA* works. Since its introduction, the LTIF (Lost Time Injury Frequency) figure has fallen by over 87% (from 0.67 to 0.09). The LTIF figure expresses the number of incidents per 200,000 hours worked resulting in absence from work. Prevention is an important part of safety awareness. 2011 saw the wider introduction of Safety Hazard Observation Cards (SHOCs), which employees can use to report dangerous situations. The number of SHOC reports was 7,045 in 2014 (2013: 5,391). In addition 998 near misses were reported (2013: 611). We see SHOC and near misses reporting as a benchmark for the proactive safety culture within the organization. *NINA* encourages reporting on such situations to allow us to make proactive adjustments.

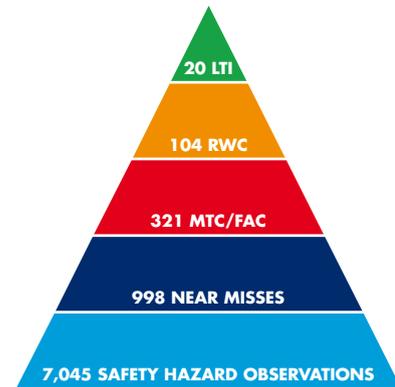
Despite both the relatively high risk profile associated with our activities and the recent rapid growth of our company the LTIF figure fell from 0.11 in 2013 to 0.09 in 2014. A detailed overview can be found in the appendix.

INCIDENTS REPORTED

In line with our industry, the list of the most common incidents is headed by tripping, falling and slipping. The number of entrapment incidents, particularly involving hands and fingers, is also relatively high. Here again, we have seen a decline in the accident frequency rate since the introduction of *NINA*, and the incidents are also less severe. In other words, there are fewer serious accidents resulting in injuries. The number of reported incidents is increasing, particularly the number of pro-active reports of near misses and safety hazards (SHOCs). This means

that awareness is growing, that everyone knows how to use the SIRE reporting system, and that everyone understands that reporting is important. Because this is the only way of sharing information to avoid repetition in the future.

INCIDENT REPORTS BOSKALIS



LTI = Lost Time Injury

RWC = Restricted Workday Case

MTC = Medical Treatment Case

FAC = First Aid Case

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

NINA VALUES EN RULES

VALUES

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

RULES

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



EMPLOYEE INVOLVEMENT AND TRAINING

We involve management and employees in our organization's safety thinking in all sorts of different ways. The Works Council has a Safety, Health and Environment committee which discusses *NINA* at every meeting. Our interactive *NINA* training courses and workshops provide employees with an opportunity to give their feedback on the program and share their experiences. We use a wide range of Lessons Learned sessions, training courses and communication channels to keep attention focused on improving safety.

Our projects always kick off with a *NINA* start-up meeting. Where necessary, we also focus on the project environment and how we can ensure the safety of local residents and third parties. (See the *Safety is a shared concern* theme text on pages 36-37 of this report.) Not only our own employees but, in many cases, clients' representatives and subcontractors also attend these meetings. In 2013, we introduced *NINA* reflection sessions at which managers of projects and ships, and members of the corporate staff and executive team shared experiences in open and interactive gatherings. The aim is to learn from each other by looking not only at positive experiences and ideas but also the challenges.

In 2014, we developed a 'work box' that takes a closer look at how to prevent specific accidents or incidents.

AUDITS

In 2014 we conducted 18 external and 25 corporate SHE-Q audits of project and office organizations and 35 external and 37 internal ISM vessel audits in which *NINA* is always a feature. In addition, clients perform office and project audits in the business units.

AWARDS

In 2014, Boskalis received a range of safety awards:

- Boskalis International received a Certificate of Achievement for 2,000,000 manhours worked without a recordable incident at the Total Mining Contract, Lelydorp, Surinam.
- Boskalis Westminster received the RoSPA Occupational Health & Safety Award from the Royal Society for the Prevention of Accidents.
- Boskalis Australia received the HSE award 2014 by INPEX Australia on the Ichtys project, Australia.
- Maersk awarded Boskalis Subsea Services with a Conspiring Set Up Recognition on the Dabrat project.

SAFETY IS A SHARED CONCERN

Boskalis has been working on the transformation of Harderwijk (Netherlands) since 2007. Commerce and industry in the heart of the town are making way for homes, shops and leisure attractions on the banks of the IJssel Lake. The Dolphinarium, Harderwijk's leading attraction, is in the centre of the area being developed but easy access has been safeguarded for the million visitors who visit it every year.

In view of the location and the local conditions, safety and location management are important themes in this major project.

SUSTAINABILITY IN OUR OWN WORK AND IN THE CHAIN

Kees de Boer: 'Our operations in Harderwijk are as sustainable as possible. Soil flows and soil remediation have been designed to minimize transport. We are using our BeauDredge for the soil remediation operation. This is a large hydraulic machine that can suck up sand from a depth of 7 meters. We are depositing that sand on top of the contaminated asbestos layer, which will settle downwards automatically as a result. That is a safer and more sustainable approach than the alternative, which involves digging up the contaminated soil and taking it away, before bringing clean soil in from elsewhere.'



Boskalis project manager Kees de Boer: 'We have a focus group, a website and newsletters for informing a large group of stakeholders about progress. Concern for safety is always an issue here. We also see a constant focus on this area as one of our responsibilities with respect to our subcontractors.'

SAFETY IS ALWAYS PERSONAL

Back in 2010, we organized a session with our clients and subcontractors to look at safety. 'We discussed our *NINA* values and rules and how we can make them personal here', recalls Kees. 'The project began back in 2007 and was delayed, in part because of the economic crisis. Because of the long time period involved, the teams working on the project had also changed, at both Boskalis and the subcontractors. To maintain focus on this issue, another *NINA* startup was organized in early 2014 in close collaboration with the Dolphinarium. We invited all our subcontractors, who are generally regional SMEs.'

SAFELY TO WORK

Kees de Boer: 'The Dolphinarium's approach to safety has a lot in common with ours. The animal trainers demonstrated that during the course of the *NINA* day: the essence is always about awareness and preparation. That message was clearly communicated to our own employees and the subcontractors. We had excellent discussions with one another. And then you can get across the emphasis on safety and our *NINA* philosophy. We want subcontractors to talk to us about safety, too. And we need them to accept that we will do the same in return. A session like this is a positive contribution to that mutual dialogue. We really do see people being more proactive. For example: we know the soil we are cleaning up could contain explosives. We have a procedure for that eventuality. But our colleagues are adopting a more active attitude, and come to us with questions of their own. They want to be well-informed because they realize how important that is for everybody's safety.'

TALKING TO THE LOCALITY

The issue of safety always emerges during discussions with other groups of stakeholders, such as the focus group and the local water sports association. Kees de Boer: 'We are currently working on the old industrial estate, where the very active water sports association has a marina. We have meetings with the members every week. We provide them with detailed information about the project and safety because they also use our construction road. We are working on the construction of the new marina where the yachts and other leisure vessels sail in and out of the old marina. To ensure the safety of the crews and our employees, we have agreed on strict traffic rules with one another.'

Local residents and businesses want proper parking facilities to be maintained during the project. There is now a large parking lot on the promenade, which will be renovated. In time, this will be replaced by parking garages. Boskalis has advised carrying out this work in stages so that there will always be adequate parking space. 'We have explained clearly the dangers our work involves in a central, busy location like this, and how we want to tackle everything as safely as possible.'

EMPLOYEE DEVELOPMENT AND WELL-BEING



Our industry is capital- and knowledge-intensive and requires well-qualified and experienced professionals. They are essential to performing our work effectively and help us to maintain our leading market position. Boskalis is permanently in motion. We are not just growing in size but in breadth as well, expanding our range of services all the time. Given this, investing in the development and skills of our employees is one of the cornerstones of our CSR strategy.

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

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

INTRODUCTION OF NEW ORGANISATION MODEL

In line with the 2014-2016 Corporate Business Plan, preparations were made for the introduction of the new divisional structure during the year under review. The expansion of our portfolio as a result of the acquisition of SMIT, MNO Vervat, Dockwise and Fairmount requires a more focused approach to directing our strategic activities. The dynamics in the different markets where we are active can vary and we want to respond in an effective and professional way. The new Dredging & Inland Infra, Offshore Energy, and Towage & Salvage divisions can therefore all supply the operational support required to prepare and execute projects. Not only do they have



the expertise in terms of, for example, design, tendering and engineering, but also the fleet management facilities. In addition, the divisions will be responsible for their own fleet and crew, and operational pools.

At the group level, the corporate staff departments will be maintained, alongside the business support departments such as HR, Procurement & Logistics and ICT, who will provide their services for all the divisions.

The roll-out of the new organization model will begin on 1 January 2015. One result will be a change of location for many departments and business units in the Netherlands, with the Dredging & Inland Infra and Offshore Energy divisions located in stand alone offices. Employee representatives were, at all times, closely involved with the establishment of the new organization model and gave their approval.

DOCKWISE INTEGRATION

As soon as the Dockwise colleagues have moved to the Boskalis campus in Papendrecht (Netherlands) in the first quarter of 2015, the actual integration of Dockwise and the Boskalis organization can start. We have compared the Dockwise and Boskalis terms of employment and, after receiving the approval of the Works Councils, agreed on a plan to harmonize them.

MANAGEMENT SYSTEM

We took the opportunity afforded by the changes in our organization to revise our competence management framework in line with the core business. Job profiles have been defined with a set of required competencies, behaviors and possible performance levels so that we can make the most of them in our performance and development interviews. In the course of 2015, we will be introducing an HR information system to ensure the optimal monitoring and use of HR information from all the divisions. The system also allows us to monitor our staff's skills profile and whether it is aligned with our strategy. Where areas for development are identified, these are communicated to the employees during competency appraisals or performance reviews and logged in the system. 66% of staff have annual or six-monthly appraisal reviews. Reviews for other staff are less frequent.

HR CONDITIONS

Our HR conditions and working conditions policy comfortably meet the guidelines of the ILO Maritime Labour Convention for international shipping companies. The same applies to the Dockwise fleet. 43% of our employees are covered by a CLA, including most of our maritime and project workers. Corporate and operational staff are covered by separate agreements reached in consultation with the Works Council.

PENSION SCHEMES

We operate various pension plans. Detailed information can be found in the list of 'Defined benefit pension schemes' on pages 102-106 of our 2014 Annual Report. In 2014, we decided to switch to the services of a larger, multi-sectoral pension fund and we therefore terminated the activity of the Boskalis Pension Fund. The thinking behind this change was that it was no longer viable to maintain the independent position of a fund of the size of the Boskalis Pension Fund given the changes in pension legislation and supervisory arrangements for pension funds. We decided to draw on the services of the Pensioenfonds Grafische Bedrijven. Important conditions associated with our favorable HR conditions, such as a defined benefit pension plan for which the premium is paid by the company and an unconditional compensation for inflation, will be maintained.

SUSTAINABLE EMPLOYABILITY

The issue of sustainable employability was discussed during two rounds of CLA negotiations: the TAK CLA and the Hydraulic Engineering CLA. We had discussions with the unions about how our employees can stay healthy, safe and motivated until they retire. In our role as employer, we include the Fit for Duty module in every training program. That involves informing employees clearly about healthy lifestyles and their own role in that respect. In addition, we give our employees ample opportunities to shape their own careers. That is a recurring item in the performance appraisals, in which people can say whether they wish to re-train, for example with a view to switching to a different, less physical position. We are open to this approach and we give our employees ample development opportunities. The full program can be found in the special Boskalis training guide, which is available globally. We also attempt to accommodate them as much as possible during the different life phases. For example, it is possible to work on projects in the Netherlands for a number of years if that is more appropriate to the current life phase.

TRAVEL CLINIC

After the Rotterdam Havenziekenhuis in the Netherlands had been giving Boskalis and other companies with international operations medical advice for decades, it was decided in the 1990s to establish a specialist and well-equipped Travel Clinic.

A lot of people going abroad on a temporary basis turn to the Travel Clinic, particularly if they are going to work in high-risk areas. Employees who return from the tropics with a disease go to the Travel Clinic to receive care.

The Travel Clinic is also active outside the Netherlands, for example on preparations for Boskalis projects in high-risk areas such as Angola or India. If necessary, Travel Clinic staff go to the area to investigate the local health conditions and medical risks, to make arrangements with local hospitals and doctors, and to make an assessment of whether people can comply with the requirements drawn up by the Travel Clinic. If not, the Travel Clinic ensures that there is a doctor or other medical expert available on the spot to coordinate medical care. In that way, the Travel Clinic has already helped Boskalis in numerous locations to set up and staff clinics. Travel Clinic employees are also on the ERT and they advise Boskalis about numerous medical issues.

PREVENTING ILLNESS AND OCCUPATIONAL DISEASE

Since as far back as 2003, we have had an Emergency Response Team (ERT) so that we can respond quickly to a health crisis. In addition to colleagues from our SHE-Q and HR departments, the team includes doctors from the Travel Clinic of the Rotterdam Havenziekenhuis in the Netherlands. There is a risk of illnesses such as malaria and HIV in some parts of the world where we work. To mitigate that risk, we have already been offering, for many years, vaccinations and regular medicals, and we also have an anti-malaria policy and an AIDS prevention program. In 2014, the Ebola outbreak was a major concern. Boskalis is

active in the Niger delta, where we have hundreds of local employees as well as several dozen expats. Although the country was declared Ebola-free in October 2014, we continue to be alert and to keep a close eye on developments. The ERT is ready for action and has regular discussions with local management about the current situation. We organize toolbox meetings in which we tell local employees what they should do to prevent infection. We found that people at home were very concerned about Ebola. In response, we arranged a family day to pass on information about the disease, the risks faced by our employees and the steps we are taking to prevent infection. In addition, an emergency plan has been developed in case a colleague needs to be repatriated.

EDUCATION AND TRAINING

STRENGTHENING THE OFFSHORE PROFILE

Our training portfolio is constantly developing so that we can continue to respond to the demand for specific expertise and skills from the divisions. The strengthening of our offshore profile is an important motivator in this respect. Our clients in the offshore industry expect us to be able to demonstrate that we manage our operations in a controlled way. This requires specific competencies in the field of planning, calculations, risk management, and contract management. To extend our expertise and skills, we recruit experienced offshore professionals and provide our own employees with additional training in this discipline. In 2014, once again, we selected young professionals for participation in the modular Boskalis Offshore Professionals Program that was developed in collaboration with an external training institute. The modules are based on real-life cases and they include everything required to prepare and execute an offshore project. In addition, a group of cost engineers are following a two-year postgraduate course in this discipline. During the course, which includes both theory and practice, they receive expert supervision from a senior mentor.

MANAGEMENT DEVELOPMENT PROGRAMS

Knowledge management and knowledge sharing are important priorities in our management development programs. In the

INNOVATION CHALLENGE

Ongoing innovation is crucial to our future. We wish to draw on our strong knowledge resources and transform them into innovative initiatives. We provide our employees with every opportunity in that respect, a good example being the Boskalis Innovation Challenge that was organized in 2014. Individual employees or teams were challenged to submit their ideas. With success. The outcome consisted of seventy ideas, six of which were nominated. The jury, with Theo Baartmans (board member) as the chairman, also included Frank Verhoeven (board member), Peter van der Linden (group director), Sander Steenbrink (R&D manager) and Paul Iske, Professor of Open Innovation and Entrepreneurship at the University of Maastricht.

The nominated ideas came from different corners of the organization. The finalists were given the opportunity to pitch their ideas to an audience that picked their own winner. The seven ideas were so good that the Board of Management decided to proceed to the development stage with them all. The first prize went to an innovative concept for the development of man-made 3D reefs that fit in with the local ecosystem but also fulfill other functions such as slope protection. Given the success of the first edition, the Boskalis Innovation Challenge will be organized again in 2015.

Boskalis Operational Development Program, which targets superintendents and project managers from all divisions, the focus in 2014 was on internal knowledge sharing. That has led to a range of initiatives such as the Boskalis Knowledge Festival, which brings together the various knowledge initiatives in the company. One of the activities developed by the Boskalis Leadership Development Program, which focuses on senior managers, was the Boskalis Innovation Challenge, a program that challenges our employees to submit innovative ideas that can be implemented in our work.



The bridge of the Ndurance

STAFF DEVELOPMENT PROGRAM

A new initiative is the management development program for senior employees from operational staff departments in which the central emphasis is on the development of the business-partner role so that they can respond optimally to the needs of the organization.

MARINE ENVIRONMENTAL AWARENESS TRAINING

In 2014, in collaboration with the Pro Sea NGO, there was a Marine Environmental Awareness course again for our fleet employees. The course looked at marine ecology, sound waste management, ballast-water treatment, and emissions. The program was adapted in line with Boskalis activities.

INTRODUCTORY PROGRAM

Our new employees are given an extensive induction program that also covers our business principles.



TRAINEESHIPS

Boskalis has positions for trainees that involves in-house training with supervision from a mentor.

Boskalis has shown that it is an attractive employer. We have no difficulty in recruiting young technical talent. In addition, we were also able to considerably enlarge the group of recently-graduated trainees: in 2014, we employed 24 young talents.

DIALOGUE AND COOPERATION IN THE CHAIN

- Boskalis engages in constructive and structured consultations with employee representatives about current issues affecting our workforce in accordance with the legislation in countries where we are located. These consultations proceeded once again in 2014 in an open and constructive atmosphere. The Works Council was well informed about the establishment of the divisional structure and gave its approval. In the fourth quarter, preparations were made for an integrated Works Council that includes representatives from Dockwise. The integrated Works Council will take shape in 2015 once the Dockwise employees have moved to Papendrecht. Two Dockwise representatives will take up posts on the Boskalis Works Council at that time. The Dockwise Works Council will then be dissolved.
- In the context of the implementation of its strategy, Boskalis also acquires other companies. In 2014, Boskalis acquired Fairmount Marine B.V. In order to realize the expected results, we consider meticulous integration to be very important. Creating value for our employees and retaining important employees are important in this approach.
- Boskalis believes that an open and constructive dialogue with the relevant unions around the world is important. Our HR conditions are good at the global level and better than the standards of the International Transport Workers' Federation, which also represents the international unions for seafarers.
- We have long-term and sound relationships with staffing management organizations or agencies that represent Boskalis on the international labor markets. We see these agencies as extensions of our organization and we had regular consultations with them once again in 2014.

STAFF PROFILE

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

EMPLOYEE BASE

At the end of 2014 the total number of people employed* by the group was 8,446 (2013: 8,459).

Although the total number of employees is relatively stable, larger fluctuations are visible at a country level. These differences are mainly caused by project activities in countries increasing and then decreasing from year to year. This is exemplified by the fact that a decline can be seen as a result of the conclusion of projects in Nigeria, Mexico, Panama, while there has been an increase in South Korea due to the Incheon and Masan projects. The number of staff from the Philippines and the Baltics has also risen as a result of the commissioning of new equipment.

CONTRACT TYPE

Sixty-seven per cent of our workforce have permanent positions; this figure is same as in 2013. This means that Boskalis continues to have a strong base for the continuity of its activities and ensures that knowledge and experience are solidly embedded within the organization. Temporary and project-based contracts allow Boskalis to respond to the dynamics associated with the various markets and the different sizes of projects around the world. Particularly in countries where we have a lot of projects, such as Brazil, the number of temporary contracts is relatively high (88% in 2014).

DIVERSITY

Respect for people is an essential component of our Business Principles and our Code of Conduct for suppliers. Boskalis supports and respects human values as set out in the United Nations' Universal Declaration of Human Rights. Boskalis employees represent more than 75 different nationalities and the company supports the equal treatment of all employees irrespective of race, nationality, ethnic background, age, religion, gender, sexual orientation or disability.

The ratios of men to women and of full-time to part-time staff at Boskalis are consistent with the nature of our work. We are to a large extent a project organization that sends out trained technical, financial and maritime staff all over the world for longer periods of time to projects which tend to be in remote locations. Appointments on the projects have proven to be less appealing for women, and less of a natural option for part-timers. The male-to-female ratio was 91%-9% in 2014; this is in line with 2013. In the case of work for permanent branches of a structural nature, the proportion of women is higher. In 2014 the ratio of men to women for management and office staff working at the Boskalis head office was 76%-24%. The percentage of part-time workers employed by the group in 2014 was 5%.

AGE PROFILE

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

JOB CATEGORIES

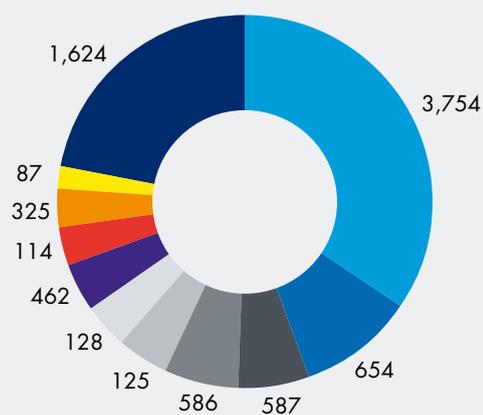
As in previous years the ratio of operational staff (fleet, yards and projects) to management and office support staff remained stable at 75%-25%. This ratio is consistent with the character of the company and the nature of the activities and equipment deployed. As a proportion of total numbers, most managers and support staff work at our head office in the Netherlands.

STAFF TURNOVER

We welcomed 1,813 new employees in 2013 and 1,826 left Boskalis. The project-based nature of our activities, which sometimes involves several contracts being signed with the same person in the same year, gives the impression of high staff turnover, even though turnover is actually at a very manageable level. Staff turnover figures are significantly lower for activities of a structural and long-term nature.

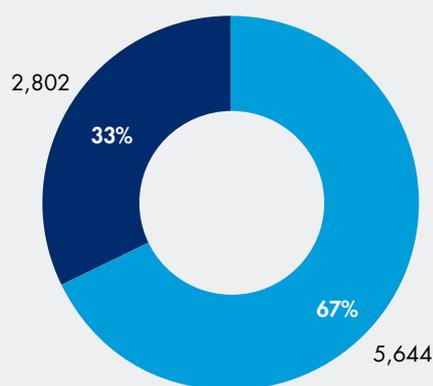
* The CSR accounting principles for 2014 changed due to the implementation of the new IFRS 11 Joint Arrangements. As a result, joint ventures and associated companies and other companies in which the Group does not have control have been excluded from the CSR data. Applying the same financial consolidation principles to CSR data helps us establish the sustainability indicators, which can be compared directly with financial data, thereby providing context for our performance. To secure comparability, the CSR data regarding 2013 have been restated accordingly.

NUMBER OF EMPLOYEES BY COUNTRY



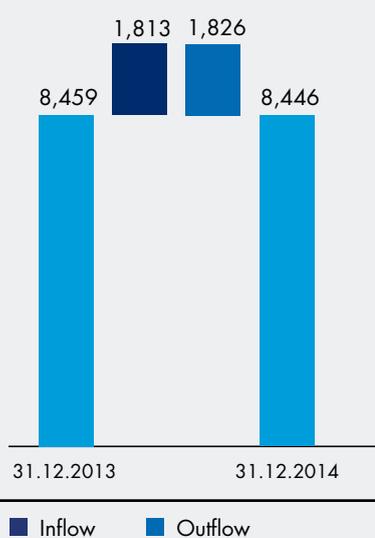
- The Netherlands
- Singapore
- Belgium
- South-Africa
- UAE
- Nigeria
- Philippines
- Brazil
- The United Kingdom
- Mexico
- Other

TYPE OF EMPLOYMENT CONTRACT

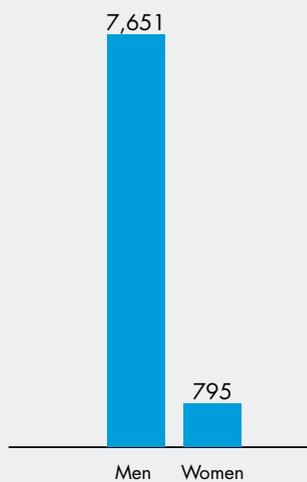


- Permanent appointment
- Temporary appointment

IN- AND OUTFLOW



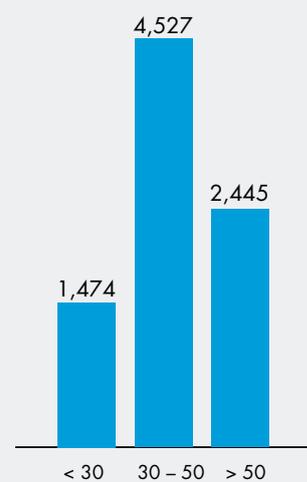
MEN/WOMEN RATIO



FULLTIME/PARTTIME RATIO



AGE PROFILE



JOB CATEGORIES MEN/WOMEN IN 2014 (IN %)

JOB CATEGORIES RATIO

MEN/WOMEN RATIO



INVESTMENTS IN SOCIETY

INVESTMENTS IN EDUCATION AND KNOWLEDGE TRANSFER

Boskalis has a long tradition of supporting scientific research relevant to our sector. We engage both individually and at the sector level in research (fundamental and applied) in alliances with research institutes and universities, and we share knowledge through lectures and presentations. At Delft University of Technology in the Netherlands we co-fund a Chair of Dredging Technology and supply a scientific officer, while 2011 saw the establishment of a dual lectureship at Delft University of Technology and Wageningen University in the Netherlands. Every year, Boskalis supervises interns, graduates and doctorate students. The figure for 2014 was 124 (2013: 130).

SUPPORTING LOCAL COMMUNITIES

Our activities may affect the local communities where we operate and we seek to generate support for the execution of our work. We devote great attention to location management, and actively involve local residents, officials and NGOs in the planning and implementation of our projects. Our industry is capital- and knowledge-intensive and, given this, we impose strict quality requirements on all our employees and suppliers. On long-term projects or in regions where we have a virtually permanent presence we make targeted investments in training local staff. Where possible, we source goods and services from local suppliers. In addition, there are clients who believe that support for local communities is important and who take this into account when awarding contracts.

At our offices and on our projects, our employees develop initiatives that we support wholeheartedly and that are encouraged by the Board of Management. These initiatives include donating safety bonuses to local charities and contributions to health care, education and infrastructure. We have taken a deliberate decision not to establish a centralized, managed community program. Our experience has taught us that local office and project organizations are in the best position to select and support appropriate local initiatives. In view of their intrinsic motivation, this approach leads to the most successful partnerships. In past years, we have supported Flying Doctors in Australia and established a malaria prevention program in Nigeria in collaboration with a local NGO.

Examples in 2014 include the following contributions.

THE SOCIO-ECONOMIC DEVELOPMENT PROGRAM IN SOUTH AFRICA

The Socio-Economic Development (SED) program of SMIT Amandla Marine (SAM) continued in 2014 to prioritize programs in South Africa that provide access to the economy for previously disadvantaged black* South Africans.

SAM has entered into partnerships with a number of accredited educational and community-based organizations in South Africa to provide educational support and also to promote the maritime industry, which is key to creating a talent pipeline for the industry. Some of the results achieved in 2014 included:

- 7 scholarships for primary, secondary and tertiary education awarded to children of employees.
- 5 South Africans in their first year of maritime studies and maritime engineering at South African Universities of Technology received bursaries for tertiary education.
- 1 Learner received a full scholarship to complete her Honours Programme in Marine Science and Oceanography at the University of Cape Town.
- SAM exhibited at maritime related career exhibitions to promote the maritime industry and the company. These included the South African Maritime Safety Authority Career Week, the African Hub Careers Exhibition, Youth in Shipping Exhibition and World Maritime Day Careers Exhibition.
- Donations of nautical equipment and learning materials benefitted the learners at JG Zuma High School in Durban, Kwazulu Natal through a donation to the school's maritime studies programme. SAM also donated funds to Lawhill Maritime Centre.
- In Port Nolloth, the company funded a tutor programme for grade 8 and 9 learners at the local secondary school to assist learners with maths and science and on Mandela Day (18th of July) SAM's team hosted a career expo/open day in Pot Nolloth at which the residents could gain information as to what opportunities there are in the maritime sector as well as what they would require to get into the working stream of the sector.
- Donations were given to the National Sea Rescue Institute, the Miriam Makeba Centre for Girls, Hope Cape Town, Ikusasa LeAfrika, and Southern African Foundation for the Conservation of Coastal Birds.

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

SAGBAMA HOSPITAL AND CHILDBIRTH CLINIC

This newly built hospital in the south of Nigeria, to which our branch in Nigeria contributed, fulfils a regional function for young mothers and their babies. The clinic provides information services, surgery and medical follow-up care for between 2,500 and 4,000 patients in the surrounding rural area.

DRINKING WATER SUPPLIES IN KENYA

In partnership with Dutch Water Ltd. and the Waterpas Foundation our employees on a project in Mombassa distributed 2.1 million liters of water to schools and homes in Kenya.

COMMUNITY SPONSORING AND DONATIONS

Community sponsoring and donations are inextricable components of our CSR policy. We aim to make the link with our core activities as close as possible. Water and the coastal areas are central themes. Boskalis sponsoring targets the areas where Boskalis is active, and in particular the communities located in those areas.



PLASTIC IN THE SEA

Since 2013, Boskalis has been the main sponsor of the Beach Cleanup Tour organized by the North Sea Foundation. In the Boskalis Beach Cleanup Tour, the North Sea Foundation and Boskalis try to generate public interest for the increasingly pressing problem of waste and plastic in the sea, and the negative impact on marine animals and birds. In 2014, almost 1,500 participants, including large numbers of Boskalis colleagues, teamed up with the North Sea Foundation to remove a total of more than 20,000 kilos of waste from the beach. (For more information, see our online magazine: boskalis.com/magazine.)

KING WILLIAM II'S ART COLLECTION ON SHOW

Boskalis was the lead sponsor of the exhibition at the Dordrechts Museum devoted to the art collection of the Dutch King William II. Boskalis supported the exhibition because, in addition to being a company that has been granted the designation 'Royal', we are a major employer in the Drecht Towns region. The exhibition in Dordrecht was opened by King Willem-Alexander on 4 March. There were special programs for our employees, including family days with a special focus on education. (For more information, see our online magazine: boskalis.com/magazine.)



SAFE WORKING IN QATAR



Boskalis improved its safety record yet again in 2014. *NINA*, the program focusing on raising safety awareness among employees and subcontractors, was one of the factors in that achievement. Every year, Boskalis takes on hundreds of large and small projects. The success of *NINA* depends, and will continue to depend, on how the safety program is approached and rolled out on all those projects. A good start-up meeting is an indispensable component of the *NINA* program and it helps to motivate employees on the project and get everybody pulling in the same direction.

A SPECIAL PROJECT

A 'double' start-up meeting was organized for the dredging work on the eastern coast of Qatar. This exceptional project involves deepening and widening a fairway over a distance of almost thirty kilometers, as well as building three islands, and the entrance channels to two of them. Preparations for the assignment, which will take more than one and a half years, started in late 2013. A total volume of more than 6.1 million cubic meters will be dredged and removed.

CHALLENGING WORKING CONDITIONS

Project leader Anne Jan Fokkema and his team are facing a major challenge. Most of the work consists of dredging extremely hard rock. The cutter suction dredgers Taurus II and Phoenix will be deployed on that part of the project, after being fitted out with the new cutter head developed in-house by Boskalis: the strong rock cutter. Despite this technical innovation, we expect to use approximately 150,000 pickpoints to remove the hard ground.

The major risks on the project in Qatar are the heat, and the possibility of fatigue as a result. 'In certain sections, the pickpoints on the cutter head will have to be changed very frequently indeed. That means the working conditions will be tough. And particularly during the summer, when the temperature can hit 50°C, that can be a safety risk,' explains Anne Jan. In addition, the daily crew changeovers can sometimes involve long travelling times. One of the *NINA* rules is that we expect our people to arrive at work fit for duty.'

DIALOGUE

'During the first *NINA* start-up meeting in Papendrecht, the Netherlands, we realized that a high level of safety awareness would be needed on this project, and that includes the people working for our sub-contractors. So we deliberately concentrated on formulating a general *NINA* goal that includes things like safe production by creating a safe and enjoyable workplace.' We then



decided to organize a second *NINA* start-up session with the project staff once we arrived in Qatar. 'The people who do the actual work often have excellent ideas for reducing the risks,' says Anne Jan. 'Getting them involved at the outset with dilemmas like this is an indispensable step in motivating them and ensuring that *NINA* is successful.'

SAFE WORKING CONDITIONS FOR ALL STAKEHOLDERS

The question of how the broadly-formulated *NINA* objective would actually be achieved in practice was addressed in Qatar in early February during the more practice-oriented second start-up meeting. 'During the course of that follow-up session, the captains and the chief engineers of the *Taurus II* and the *Phoenix* devised solutions together and made working agreements to cope with the challenging conditions in Qatar,' says Amit Walia, a SHE-Q representative for Area Middle East. The session identified the main risks of the project, such as the heat, the crew changes

(entering and leaving the vessel) and working in shallow water. Working methods and solutions were established and procedures developed to reduce those risks. 'In consultation with the employees working on the project, we set up a beat the heat campaign that included a range of measures such as introducing a heat index, and instructions about when particular activities are no longer safe and have to be postponed. We also brought in cooling jackets for the engine rooms, and special supplements are handed out for putting into drinking water to prevent dehydration. 'People were also encouraged to use SHOC cards (see page 34 of this report) and the team also developed other concrete ways of working safely and pleasantly.

OUR ENVIRONMENTAL PERFORMANCE





52 **POLICY AND OBJECTIVES**

53 **ECO-ENGINEERING**

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FRIENDLY EQUIPMENT**

POLICY AND OBJECTIVES

‘Environmental excellence’ is becoming increasingly important in the sustainable management and development of vulnerable river, delta and coastal areas of the world. This is precisely where a substantial part of our work is located. In addition, mining firms and oil and gas companies are taking their search for ore, oil and gas ever further, and that includes developing sensitive areas. This makes sustainable initiatives essential, not only in our dredging operations but also in our offshore services.

The wide diversity of our markets and clients means that we must engage in different emphases and priorities. We use the tailored solutions that we can offer with our eco-engineering capacity to optimize project feasibility, both for clients at the top end of the S curve – who want us to provide integrated, innovative services or turnkey solutions – and for clients at the bottom of that curve who are looking for relatively straightforward, standard services. Our solutions create shared value for our clients, the environment and society. That sets us apart from our competitors.

To further enhance the sustainability of our fleet, we are combining forces with our partners in the chain. Generally in partnerships, we are working on innovative developments in the area of cleaner engines and environmentally friendly fuels, energy savings, the sustainable dismantling of our vessels, and cradle-to-cradle and recycling concepts.

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

ECO- ENGINEERING



Monitoring water quality on a project in Qatar

CREATING SHARED VALUE IN A CROSS-SECTORAL PARTNERSHIP

Our eco-engineering solutions are based on the Building with Nature philosophy. Building with Nature is an innovation program in which knowledge and design guidelines for maritime infrastructure have been developed since 2008, both responding to the requirements of society and creating new opportunities for nature. That requires a fundamentally different approach to projects. The work is done in interdisciplinary project teams who adopt the natural system as a basic design principle and who look to create added value for all stakeholders involved from the outset. The Building with Nature pilot project in Indonesia presented on pages 56-57 is a good example.

The program is being executed by the Ecoshape consortium, in which Boskalis was one of the initiators. The consortium includes business, government and research institutes. The NGO Wetlands International joined in 2014.

Phase 1 of the Building with Nature innovation program was implemented in the 2008-2012 period, with Boskalis investing a total of EUR 2.5 million. The program entered the second phase in 2013 as part of the Dutch government's Top Sector policy. We are also investing in this phase. In the run-up year 2013, we invested EUR 250,000 and we are investing an annual sum of EUR 500,000 from 2014 until 2017. In our CSR reports in recent years, we have described successful projects such as the Sand Motor (see picture on pages 50-51 of this report) and the large-scale coral relocation operation in Jamaica, which are based on the Building with Nature principles.

The successful application of eco-engineering is only possible if our clients are also prepared to embrace the concept and take on projects. To date, it has been mainly



our clients in the high-end segment of the market who have been open to this. We actively promote the concept with all our clients.

TASKFORCE ECO-ENGINEERING

It is our ambition, depending on the commitment of our clients, to execute one project every year based on the eco-engineering approach and the Building with Nature philosophy. The Boskalis Eco-Engineering Task Force coordinates, discusses, collects and shares knowledge and successful cases, and encourages awareness-raising in the company's Dredging & Inland Infra and Offshore Energy divisions. As a result, opportunities for projects and initiatives are identified at an early stage, and support within the company is established at the same time. The Task Force is chaired by a member of the Board of Management and, in addition to our own engineering consultancy Hydronamic, the business unit directors also participate in the Task Force. In 2014, the Task Force met twice and various initiatives were launched, including the introduction of a company newsletter, which will be published several times annually starting in February 2015.

ECO-ENGINEERING AND OFFSHORE

In line with the initiatives for our dredging activities, we have engaged in the initial exploration of eco-engineering opportunities for the offshore industry. We want to explore eco-engineering solutions for trenching and covering pipelines, and whether we can contribute to the natural habitat of fish and other underwater life through our working methods. We also want to look at whether we can use nature-friendly scour protection for the foundations of offshore platforms. We know that fish populations around wind farms or offshore platforms are richer than elsewhere because of the ban on fishing in the immediate vicinity. To provide an extra impulse for biodiversity and to ensure the rapid recovery of underwater life after installation work, we are looking at a new technology that allows us to structure the protective layer of the foundations – the 'gravity-based structures' – in such a way that sheltered places are created for fish. This concept is a spin-off from our Boskalis Innovation Challenge (see page 41 of this report). The renewable energy market has strict requirements for limiting noise pollution below the water during the construction of offshore wind farms. Together with our partners, we are using methods to limit noise, such as bubble screens around the operations or special noise-reduction cases around piles.

ECO-ENGINEERING OPENS UP NEW OPPORTUNITIES

Theo Baartmans, a member of the Boskalis Board of Management, believes that eco-engineering opens up new opportunities for Boskalis, our clients, the natural environment and all stakeholders. Boskalis also thinks that the pride and motivation of our employees are important. 'A group of trainees recently completed their two-year course with a short pitch, and I was privileged to be a member of the jury. The trainees gave examples of things that had been decisive for them in the last two years, things that they were proud of. Well, technology barely got a mention; they mainly picked up on the soft elements. The fact that Boskalis pays attention to ecology and creates possibilities for it, that's what they were proud of. And a recent, inspiring, brainstorming session with a table packed with Boskalis business unit managers was quick to see the opportunities. So this is certainly a hot issue, and the great thing is: everybody can have their own reasons for embracing the topic.'

Ko de Blaeij, Middle East area manager, is also aware of the opportunities afforded by eco-engineering. Of course we are not always able to influence a client's considerations. Even when a sustainable solution isn't adopted by a client, you still generate awareness and you still have a sound concept. You can always try to introduce that approach on other projects. So I always say, before a tender is issued: let's look at whether we have a creative take on the stated requirements, and whether we can come up with a solution that will benefit the area. This type of solution is often cheaper as well. You do need to get started early in the process; you need to spark the client's curiosity. And then if he ends up deciding not to go for that solution, at least we already have that knowledge to apply on a subsequent project.'

Eco-engineering based on the Building with Nature philosophy was applied on one of the Room for the River projects in the Netherlands

BUILDING WITH NATURE IN INDONESIA



WETLANDS INTERNATIONAL JOINS THE ECOSHAPES CONSORTIUM

Wetlands International is an international environmental organization with branches in numerous countries. In recent years, Wetlands International has already teamed up with Ecoshape on a number of pilot projects. Jane Madgwick, the CEO of Wetlands International: 'Our objective is to bring about the restoration of wetlands in combination with improvements to the welfare of the local residents. We are seeing how wetlands are still under severe pressure throughout the world. Climate change is a new challenge, but so are the responses of governments to that challenge. At the moment, they are mainly opting for hard infrastructure. That approach is often bad for nature and, in addition, it often fails to address the water challenges adequately, particularly in the long term. The integrated solutions that Building with Nature makes possible are not only potentially more sustainable but also more attractive, cheaper and safer.'

In addition to Wetlands International the Ecoshape partners include among others Arcadis, Alterra, Haskoning, Imares and Deltares. For more information, see www.ecoshape.nl.

More than six thousand villages (thirty million people) on Indonesia's enormous coastline could be washed away. Hard defenses in the form of dikes are pointless on muddy coasts like Indonesia's. The Ecoshape consortium has engaged in a pilot project as part of the Building with Nature program in the coastal area of northern Java. The innovative approach, with dams, land reclamation and new mangrove forests, aims to turn the tide.

Men and women are up to their waists in the waters of the Java Sea. With the patience of saints, the inhabitants of the village of Timbul Sloko drag bundles of pruned branches to the location. Using sledgehammers, they have rammed poles of galam, a rapid-growing Asian wood variety, a meter and a half into the soft seabed and now they are tying in the bundles of wood using steel wire. Four dams, each one hundred meters long, are being built here. The idea is that they will help to prevent the recurring floods affecting the houses of thousands of people in the northern coastal area of Java in the district of Demak (Central Java).

DAMS AND MANGROVE FORESTS

The coast of Java is being eroded at the alarming rate of one hundred meters a year.

'We conducted a pilot project that demonstrated that the tides deposit muddy sediment behind the dams', says Pieter van Eijk, climate adaptation coordinator with Wetlands International. He is working on the upscaling of the dams on a stretch of coast measuring twenty kilometers. 'In time, new mangrove forests will grow again between the dams and the coast, protecting the coast from the strong waves.'

'The traditional approach to land reclamation used in the past in the Netherlands has proven useful here', explains Professor Han Winterwerp of Delft University of Technology and the research institute Deltares. A small trial dam off the coast of Java has already captured a layer of fifty centimeters of mud. 'The first pioneering mangrove varieties are starting to grow and then the ongoing development of the forest can begin', explains the professor.

DISEASED PRAWNS

Mangrove forests are wet, swampy forests that have, for centuries, naturally absorbed wave energy and captured sludge on the Indonesian coast. The sediment raises the level of the land, which is therefore lifted in line with the sea-level rise. The forests are

breeding grounds for numerous species of fish. They clean the water and they are a source of timber.

In the past, these forests have been chopped down to make way for local businesses like prawn farms. 'As a result, the natural coastal defenses are undermined and the land has subsided, leading to flooding', says Pieter van Eijk. 'Another sad aspect is that the intensive use of the prawn farms meant that they were useless after only five years as the prawns became diseased. The Indonesian investors moved on to another area.'

LAND RECLAMATION

Erosion cannot be entirely prevented using dams and new mangrove forests. Random planting of mangroves will be fairly unsuccessful if the currents and waves are not absorbed and sediment isn't captured. It is possible to help nature along by using dredging equipment to bring in mud to the coast from the shallow Java Sea close by. 'The coastline can recover considerably within five years in this way', thinks Jaap van Thiel de Vries, a program manager with Ecoshape and a Boskalis senior engineer.

VILLAGE ELDERS AND AQUACULTURE

He has just returned from the area, where he sat down at the table with village elders and local governors. 'As well as support from national and regional governments, the cooperation of local residents is indispensable', Jaap emphasizes. In the past, this was a prosperous district but the prawn farms signaled the end for fishing and rice growing; since the collapse of prawn farming, the economy has collapsed. That is why the program also provides for new socio-economic development. 'Drawing on expertise from Imares-Wageningen University and Research Centre, we will be developing sustainable forms of aquaculture in the abandoned ponds, as well as the sustainable use of mangroves. Even though the dams are not particularly expensive, it is still important for the economy in the hinterland to be able to finance maintenance and possible upscaling in the future.'

ENVIRONMENTALLY FRIENDLY EQUIPMENT

The International Maritime Organization (IMO) draws up rules aimed at further reducing emissions from shipping, while the European Union's Marine Strategy Framework Directive also imposes a range of measures for the reduction of maritime emissions. At the same time, several large ports around the world have introduced the Environmental Ship Index. These ports reward cleaner ships by reducing port fees. We consult with the authorities on these matters through national and international sector associations such as the European Dredging Association (EuDA) and the Dutch Association of Hydraulic Engineers, as well as by contributing our technical knowledge in order to make emissions measurable. In doing so, we seek to work towards realistic regulations for our industry that enjoy broad support. We act ahead of changes in the law and create the conditions for rapid implementation by investing in an extensive R&D program.

TASKFORCE ENERGY MANAGEMENT

Our special Energy Management Task Force keeps a close eye on the development of national and international legislation and regulations on emissions, and instigates emission-reduction initiatives through innovations in equipment and working methods. Headed by a member of the Board of Management, the Task Force is composed of specialists and professionals from the Offshore Energy and Dredging divisions. The Task Force pools knowledge and best practices, and promotes awareness within the organization. At the sector level, the Task Force is working on developing an industry standard for the dredging fleet for measuring CO₂ emissions per production unit. In 2014, the Task Force met once and various initiatives were taken again. An overview can be found below of the measures on our fleet that were discussed in the meetings of the Task Force in 2014 and in recent years. Some of them



emerged from the Meet the Buyer sessions (see pages 26-27 of this report).

MEASURES ON OUR FLEET

Our new equipment complies with the strictest requirements for energy consumption. For reasons including operational economy, we are also making our existing equipment more sustainable where possible.

Both individually and in conjunction with suppliers, sector organizations, research institutes and NGOs, we are continuing to invest in:

THE APPLICATION OF CLEANER AND MORE ECONOMICAL PROPULSION UNITS AND CLEANER FUEL

Examples include:

- The trial with biodiesel in Boskalis Nederland trucks was completed successfully in 2014. We have purchased 250,000 liters of this innovative fuel, widening the market for the supplier, SkyNRG. Using 250,000 liters of this cleaner fuel resulted in a saving of 148MT CO₂, a cut of 10% in NOx emissions, and a reduction of 30% in SOx and particulate emissions.
- Partnership with SeaNRG, a SkyNRG sister institute, which we launched in early 2015. SeaNRG is working on the development of a 'drop-in' biofuel for shipping that is expected

to comply with stringent sustainability requirements. We have the intention to conduct a pilot project together.

- The test with GTL on one of our tug boats in the port of Rotterdam was a success. Using this cleaner fuel has reduced NOx emissions by an average of 9.5% and it could therefore make a substantial contribution to the achievement of the NOx reduction targets for the port of Rotterdam.

THE APPLICATION OF ENERGY-SAVING MEASURES

Examples include:

- Performance tests began for the larger dredging vessels in 2014. We are looking at how well a trailing section hopper dredger is performing by comparison with the standard and investigating the causes of shortfalls in performance. On the basis of this analysis, we will be initiating improvements that will also enhance environmental performance at the same time. We want to introduce these performance tests for all vessels in our fleet.
- A plan has been presented for the years to come for improving the energy efficiency of the vessels. The aim is to maximize the efficiency of installations (cooling ventilation and air conditioning) and lighting on board. We can claw back the associated investments through energy savings in a few years. Using sustainable LED lighting also leads to a reduction in material consumption, lower maintenance costs and less transportation of replacement materials.



A SUSTAINABLE DISMANTLING POLICY

In 2013, the Shipbreaking Platform recognized us as an industry leader for our sustainable ship dismantling program. In 2014, we worked further on our partnership with a yard in Mexico, Ensenada, contributing knowledge through intensive collaboration so that the yard can comply with our requirements (see the theme text on pages 6-7).

CRADLE-TO-CRADLE, RECYCLING AND WASTE

We have established a procedure with Beelen Groep for recycling worn floating dredging lines. We have also established cradle-to-cradle chains with the foundries Van Voorden, Allard and Magotteaux for worn impellers, dredging pumps and with Vosta for pickpoints (see the theme text on pages 62-63 of this report). Since this initiative began, more than 2.7 million kilos of material have been delivered and re-used.

We comply with the IMO MARPOL regulations, which prohibit waste being discharged overboard, barring specific exceptions. Our vessels larger than 400gt have a waste management plan in which all actions involving the disposal or incineration of waste are recorded in a 'Garbage Record Book'. The ports we visit are required to accept this waste.

PROPER USE OF WATER

We have a responsible approach to ballast water. Two pilot projects with innovative treatment systems were launched in 2014. We will be reporting on those projects in a subsequent CSR report.

ENCOURAGING ENVIRONMENTAL AWARENESS AMONG OUR COLLEAGUES

In 2014, there was, in collaboration with the Pro Sea NGO, a Marine Environmental Awareness course again for our fleet colleagues. The course looked at marine ecology, sound waste management, ballast-water treatment, and emissions. The program has been tailored to the Dredging situation. For more information, please see our corporate website www.boskalis.com/csr.

RESULT CO₂ PERFORMANCE LADDER 2014

As in the past five years, Boskalis Nederland obtained certification on the CO₂ Performance Ladder in 2014; for the third time in succession, certification was at the highest level of the ladder (level 5). The certificate covers all parts of the business working for the Dutch market.

The CO₂ Performance Ladder is an instrument that is used in the Netherlands by government agencies and business to encourage companies to participate in often complex tender procedures to adopt CO₂-aware procedures in their own operations, during projects and in the chain. The basic principle underlying the Ladder is that efforts made by companies to further energy savings, the efficient use of materials and sustainable energy will be recognized. The level achieved by companies on the CO₂ Performance Ladder gives them an advantage in tender procedures: the higher the level on the Ladder, the greater the advantage for the company during the tender procedure.

Boskalis Nederland is implementing a fuel-consumption reduction policy for the company and on the projects. This has resulted in a range of actions in 2014: for example, a study was conducted of the fuel-efficiency of the equipment by analyzing fuel consumption in relation to productivity. There was also a campaign in which behavior change was central and in which drivers and superintendents on projects were approached personally. These actions are followed up in 2015.

In addition, Boskalis Nederland was one of the parties behind the initiative for an innovative development project as part of the Ecoshape program 'ecosystem-based CO₂ footprinting'. That project involves us working together with a range of partners on the ambition of ensuring that, by 2020, hydraulic engineering projects can have a CO₂ balance that, during the entire life cycle, is 20% better than the conventional approach. This will be achieved by taking the carbon emissions of the equipment, the relevant features of the borrow area and the ecosystem in question into account as early as the design phase.

More information about the activities of Boskalis Nederland in the field of sustainability and on the CO₂ Performance Ladder can be found on www.boskalis.com/nederland.

CO₂ EMISSIONS IN 2014

Boskalis measures and reports on the fleet's total CO₂ emissions on the basis of fuel consumption. The absence of a clear measuring standard precludes the meaningful statement of relative emissions per production unit, making the annual consumption reports difficult to compare, even without the effects of acquisitions and divestments. A complex set of factors comes into play here. Our dredging and offshore fleet consists of different types of vessels, and the deployment of older or, conversely, more modern vessels and the capacity utilization of the fleet also have a bearing on fuel consumption in a given year. In addition, the nature of the projects can also result in a distorted picture; for example, a cutter suction dredger that has spent a year on projects involving a lot of hard soil will have much higher energy consumption than in another year when it has worked in softer soil. This means that higher or lower fuel consumption in a given year is not an adequate reflection of the quality of our environmental performance. We do not therefore believe it is useful to set a quantitative target for annual fuel consumption at this time. Reporting at Dockwise is also complex because of differences in fleet composition, age of the vessels, utilization of the vessels, distance travelled and cargo transported. All of these aspects affect fleet energy consumption.

In order to present balanced reporting on our fuel consumption and carbon emissions, Boskalis is working with others in the dredging sector to reach agreement about an industry standard for CO₂ emissions per production unit. In the Netherlands, through the Association of Hydraulic Engineers (the Dutch trade organization), Boskalis is talking to Rijkswaterstaat (the Dutch Directorate General for Public Works and Water Management) about the application of a dedicated computer model for coastal replenishment projects. We have proposed adopting the fuel consumption of the very largest vessels (hoppers, cutters and backhoes) as the guiding principle and comparing those fuel

consumption figures in tenders. The supplier who proves that their fuel consumption is lowest will be given the highest fictive discount. Rijkswaterstaat is considering this proposal.

TOTAL GROUP EMISSIONS

The total group emissions in 2014 amounted to 1.59 million tons CO₂ (2013: 1.35 million tons CO₂). This increase is attributable to the high utilization of the cutter suction dredgers at Dredging, and a sharp increase at Offshore Energy as a result of the acquisition in March 2014 of Fairmount activities and a busy year at Dockwise.

DREDGING & INLAND INFRA

Total emissions at Dredging & Inland Infra amounted to 562 thousand tons (2013: 521 thousand tons) and approximately 94% of those emissions can be attributed to the traditional trailing suction hopper dredgers and cutter suction dredgers. This increase of 8% can be attributed on balance to the following elements:

- Even though the utilization of the hopper fleet as a whole fell to 40 weeks (2013: 44 weeks), the size of the fleet increased in 2014. The trailing suction hopper dredger Fairway (35,500 m³) went back into service at the start of the second quarter and, in mid-June, a new trailing suction hopper dredger, the Strandway (4,500 m³), also went into service. This led to an increase in the emissions of the hopper fleet of 2% by comparison with 2013;
- Due to a number of major cutter projects, the utilization of the cutter fleet increased sharply in 2014 to 36 weeks (2013:

16 weeks). As a result, total emissions from the cutter suction dredgers increased by almost 140% in 2014.

OFFSHORE ENERGY

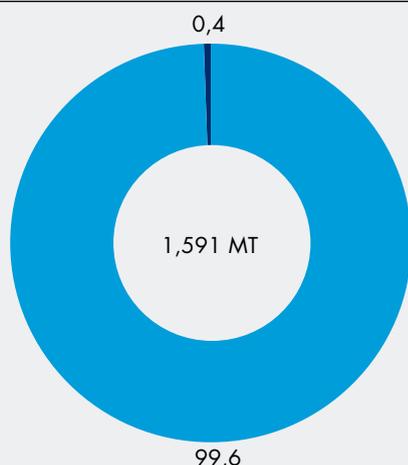
The CO₂ emissions from the Offshore Energy fleet amounted to 936 thousand tons in 2014 (2013: 727 thousand tons). This increase is fully attributable to the following elements:

- The Fairmount vessels acquired in March 2014 have been included for the first time in reporting since that date;
- Utilization of the Dockwise fleet was very high in 2014 and the flagship, the Dockwise Vanguard, was at work throughout 2014 (2013: three quarters);
- In 2014, a number of new vessels were commissioned, including the Ndeavor, Smit Sentosa and Smit Seraya.

TOWAGE & SALVAGE

The CO₂ emissions from Towage & Salvage amounted to 87 thousand tons (2013: 95 thousand tons). The fall of 9% is attributable to the ongoing roll-out of the Towage strategy, in which activities are housed with joint ventures as much as possible. In mid-2014, Boskalis established two joint ventures with SAAM S.A. from Chile under the shared name SAAM SMIT Towage for the joint continuation of the harbour towage activities in Brazil, Mexico, Panama and Canada. With effect from the third quarter, these activities were deconsolidated in accordance with IFRS 11 and they are no longer included in reporting.

CO₂ (Metric Tons '000)



Fleet (%)

Offices (%)

	FLEET		OFFICES		CO ₂ 2014* MT ('000)	CO ₂ 2013* MT ('000)
	FUEL HFO MT ('000)	FUEL MGO MT ('000)	ELECTRICITY KWh (million)	GAS Mj (million)		
Dredging & Inland Infra	87	91			562	521
Offshore Energy	223	71			936	727
Towage & Salvage	–	28			87	95
Offices			9	21	6	7
Total	310	190	–	–		
CO₂ MT ('000)	993	591	5	1	1,591	1,349

* For the method used to convert fuel to CO₂, see page 66 of this report.

CRADLE-TO-CRADLE SOLUTIONS IN THE SUPPLY CHAIN

Changing pickpoints on board a cutter suction dredger on a project in Qatar

Boskalis wants its supply chain to be increasingly sustainable. To make our procurement processes even more sustainable, we have been working ever more closely with our suppliers in recent years. The collaboration with our supplier Vosta LMG (Vosta) for re-using pickpoints is a fine example.

WEAR AND TEAR AND RE-USE

Boskalis uses cutter suction dredgers for dredging in hard conditions. These vessels have cutter heads with dozens of removable steel pickpoints. Arie Kamsteeg, Boskalis' fleet manager, is one of the driving forces behind the pickpoints cradle-to-cradle program. 'The harder the ground, the faster the pickpoints wear out, and the earlier they need replacing. Tens of thousands need to be replaced annually. Depending on the type used, a single pickpoint weighs approximately 20 kilos. Approximately 60% of that is left after the pickpoint has been used and it can be recycled. In the past, worn pickpoints were sold locally as scrap. With the cradle-to-cradle thinking in mind, and given the increasing scarcity of raw materials, it started to make sense to think about re-using the material. To streamline the

logistics of returning the worn pickpoints to the original foundries, we developed special steel "pickpoint bins": square, extremely robust, steel containers. We designed them so that they can be stacked, are safe to lift and easy to move with forklift trucks.' Boskalis now has more than 1,600 certified pickpoint bins in circulation.

JOINT EFFORT

This was the first time we had been asked to engage in recycling in this way', says Vosta manager Components & Services Georges Teheux. 'The hydraulic engineering sector has been talking about the possibilities of cradle-to-cradle production for years, but Boskalis initiated this approach. And it is an initiative that we are happy to work on as a partner.'

Klaas Wijma, a senior product manager with Vosta: 'The pickpoints are produced by a partner company, a steel foundry in Sweden. Working together with Boskalis really is a joint effort. For example, we worked out the dimensions of the bins in mutual discussions. Because they are easy to stack, exactly 24 empty bins fit in a container. In the meantime, we have developed a similar system for another major dredging company. It would obviously be fantastic if the entire sector were to switch to this approach using universal bins.'



CRADLE-TO-CRADLE

The worn pickpoints are collected in the bins on the projects, and returned in sea containers to the foundry, where they are melted down. The new pickpoints are returned to the project from the foundry in the same way. Fred Dekker, a senior buyer with Boskalis: 'This approach isn't just much more sustainable, it is also safer: nobody needs to even touch the pickpoints anymore until they are actually going to be used, and that is fully in line with our *NINA* safety program. The entire logistical process is also much more efficient and we no longer need to count the individual pickpoints: we weigh the bins and know exactly how many pickpoints they carry.'

IMPACT IN THE CHAIN

Monique de Klein, a project manager with Vosta: 'Since the start of this cradle-to-cradle program, we have already processed large numbers of worn pickpoints. This joint approach has had a major impact on various links in the chain because it also affects the operating processes at the foundry. We are helping them with this change and, gradually, everybody has started to pull in the same direction.'

150,000 PICK POINTS IN QATAR

Arie: 'On a project in Qatar, we are using pickpoints that are extra wear-resistant because the soil here is extremely hard. On that project alone, we have already used more than 85,000 pickpoints so far. Those numbers make it clear how important it is to re-use the material.' Anne Jan Fokkema, the project manager on the Qatar project, explains: 'We have to manage the ingoing and outgoing flows of the total of 150,000 pickpoints we need here without a hitch: that is the critical success factor on this project. Getting all the pickpoints we need into the country is a complex logistical puzzle. Vosta and the logistical departments at Boskalis have teamed up together excellently. However, local circumstances and regulations sometimes make it just as difficult to re-export the used pickpoints, pumps and pipelines for re-use.' Arie concludes: 'This cradle-to-cradle program has not only led to environmentally friendly procedures and considerable improvements in efficiency, it has also given a boost to safety. And that's something you can't state in money terms.'

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ABOUT THIS REPORT



PURPOSE AND PROCESS OF THE REPORT

In this Corporate Social Responsibility (CSR) report we provide an account to all our stakeholders of the CSR policy we pursued in 2014. The Board of Management is responsible for the preparation of our CSR report, which is compiled by a multidisciplinary CSR team. Our consolidation takes place at successive levels, starting with the projects and local office organizations, moving on through the relevant business units and staff departments and ending with the consolidated group reports. The criteria are set out in our CSR Reporting Manual that our Group Accounting & Reporting department uses to monitor and validate the content of this sustainability report. The report is subject to approval by the Board of Management of Boskalis and its contents are discussed in their entirety with the Supervisory Board.

FOLLOWING THE GUIDELINES

We have been publishing a CSR report alongside our annual report since 2009. We report in accordance with the international guidelines set out by the Global Reporting Initiative (version G3.1), at application level B. We are preparing for the new GRI 4 guideline. The GRI table on pages 68-69 shows which indicators we report on.

SCOPE

We report on Boskalis, including the activities of SMIT, Dockwise, and Fairmount.

The CSR accounting principles for 2014 changed due to the implementation of the new IFRS 11 Joint Arrangements that revised the accounting for joint ventures (in the new standard called 'joint arrangements'). Joint arrangements are divided in joint ventures ('strategic alliances') and joint operations ('project driven consortia'). Most important change is that for joint ventures only the equity method can be applied, meaning that these are not consolidated proportionally anymore. As a result, joint ventures and associated companies and other companies in which the Group does not have control have been excluded from the CSR data. The accounting for joint operations is not changed as a result for IFRS 11; these are still consolidated proportionally in the CSR-data. To secure comparability, the CSR-data regarding 2013 have been restated accordingly; primarily affecting our Harbour Towing accounting and to a lesser extent our Offshore Energy and Dredging & Inland Infra accounting. Applying the same financial consolidation principles to CSR data helps us establish the sustainability indicators, which can be compared directly with financial data, thereby providing context for our performance.

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

- Applying a quantitative target to our annual fuel consumption is not meaningful as long as the carbon emissions of our fleet cannot be linked to the relative emissions for each production unit. It is our aim to establish an industry standard and we are in talks with others in the sector to achieve this.
- Our CO₂ reporting comprises our ships and permanent offices, which together account for around 95% of emissions.



ESTIMATING, MEASUREMENT AND CALCULATION METHODS

CO₂ conversion

ISO and ISM norms were used for the conversion of fuel to CO₂:

- For the conversion of volume to weight, ISO specification 8217E was followed and the following specific gravity per liter was used:
 - MGO/MDO 0.845kg
 - HFO 0.991kg.
- For the conversion of MT fuel to CO₂, the IMO RESOLUTION MEPC.212(63) was followed and the following conversion factor was used per MT fuel:
 - MGO/MDO 3,206 MT CO₂
 - HFO 3,114 MT CO₂.

LTI Lost Time Injury

Expresses the number of workplace accidents serious enough to result in absence from work per 200,000 hours worked. The LTIF overview on page 73 of this report states how this has been worked out in the various business units.

RELIABILITY

In 2014, many of our efforts have targeted the preparations for the new organizational model. In the years to come, the focus will be on ongoing implementation and streamlining. The ambition stated in 2013 of having the entire CSR report verified by an independent external party remains. This report takes an important step in that direction with the extension of the scope. We expect to continue this development in 2015 and therefore to be in a position to present a fully verified report within two or three years.

PUBLICATION DATE

The 2014 CSR report was published simultaneously with the 2014 Annual Report on 12 March 2014 on the corporate website www.boskalis.com.

CONTACT

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

Martijn L.D. Schuttevâer

Director of Investor Relations & Corporate Communications

Telephone: +31 (0)78 6969822

E-mail: csr@boskalis.com

Website: www.boskalis.com/csr

GRI TABLE

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

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HR DATA

The CSR accounting principles for 2014 changed due to the implementation of the new IFRS 11. As a result, joint ventures and associated companies and other companies in which the Group does not have control have been excluded from the CSR data.

Applying the same financial consolidation principles to CSR data helps us to establish the sustainability indicators, which can be compared directly with financial data, thereby providing context for our performance. To secure comparability, the CSR-data regarding 2013 have been restated accordingly. Please refer to page 66 for more information.

NUMBER OF EMPLOYEES

	2014	2013
	8,446	8,459

COMPOSITION OF WORKFORCE

NUMBER OF EMPLOYEES BY COUNTRY	2014	2013	AGE PROFILE	2014	2013
The Netherlands	3,754	3,692	Age <30	17%	18%
Singapore	654	733	Age 30 – 50	54%	54%
Belgium	587	604	Age >50	29%	28%
South Africa	586	608	TOTAL	100%	100%
Philippines	462	426			
UK	325	327			
Nigeria	128	148	COLLECTIVE BARGAINING AGREEMENTS	2014	2013
UAE	125	117	No	57%	56%
Brazil	114	60	Yes	43%	44%
Mexico	87	170	TOTAL	100%	100%
Other	1,624	1,574			
TOTAL	8,446	8,459			

TYPE OF CONTRACT	2014	2013	NATIONALITIES	2014	2013
Fixed term/project based	33%	33%	Number of different nationalities	75	73
Permanent/indefinite	67%	67%			
TOTAL	100%	100%			

WOMEN/MEN RATIOS	2014	2013	TRAINING HOURS	2014	2013
Women	9%	10%	Management	3,455	3,405
Man	91%	90%	Office staff	28,677	31,218
TOTAL	100%	100%	Project staff	40,251	43,047
			Crew/yard staff	72,164	69,501
			TOTAL	144,547	147,171

FULLTIME/PARTTIME RATIOS	2014	2013
Fulltime	95%	95%
Parttime	5%	5%
TOTAL	100%	100%

RECRUITMENT

INFLOW BY AGE	2014	2013
Age <30	627	598
Age 30 – 50	944	1,057
Age >50	242	247
TOTAL	1,813	1,902

OUTFLOW BY REASON	2014	2013
Voluntary resignation	32%	28%
End of project/contract	47%	46%
Termination	15%	21%
Retirement/death	6%	5%
TOTAL	100%	100%

OUTFLOW BY AGE	2014	2013
Age <30	422	355
Age 30 – 50	982	914
Age >50	422	564
TOTAL	1,826	1,833

DEVELOPMENT

JOB CATEGORIES	2014	2013
Management	2%	2%
Office staff	23%	23%
Project/Site Staff	18%	17%
Workforce/Crew	57%	58%
TOTAL	100%	100%

JOB CATEGORIES WOMEN/MEN RATIOS	2014		2013	
	WOMEN	MEN	WOMEN	MEN
Management	9%	91%	9%	91%
Office staff	33%	67%	34%	66%
Project staff	5%	95%	5%	95%
Crew/yard staff	1%	99%	1%	99%
TOTAL	9%	91%	10%	90%

JOB CATEGORIES BY AGE RATIOS	2014			2013		
	<30	30 – 50	>50	<30	30 – 50	>50
Management	1%	44%	55%	1%	46%	53%
Office staff	14%	59%	27%	16%	58%	26%
Project staff	21%	58%	21%	22%	57%	21%
Crew/yard staff	18%	51%	31%	19%	50%	31%
TOTAL	17%	54%	29%	18%	54%	28%

SHE-Q DATA

The CSR accounting principles for 2014 changed due to the implementation of the new IFRS 11. As a result, joint ventures and associated companies and other companies in which the Group does not have control have been excluded from the CSR data. Applying the same financial consolidation principles to CSR data helps us to establish the sustainability indicators, which can be compared directly with financial data, thereby providing context for our performance. To secure comparability, the CSR-data regarding 2013 have been restated accordingly. Please refer to page 66 for more information.

OVERVIEW OF CERTIFICATIONS BOSKALIS

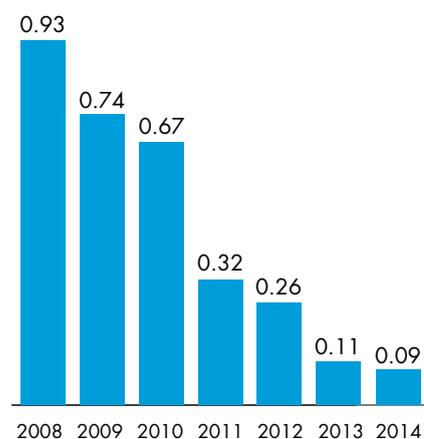
	ISO 14001	OHSAS 18001 OR VCA*	ISO 9001
DREDGING & INLAND INFRA	✓	✓	✓
OFFSHORE ENERGY			
DOCKWISE	✓	✓	✓
SUBSEA CONTRACTING	✓	✓	✓
MARINE CONTRACTING	–	✓	✓
SUBSEA SERVICES	✓ (50%)	✓ (75%)	✓
MARINE SERVICES	✓ (33%)	✓ (67%)	✓
SMIT AMANDLA MARINE			
	✓	✓	✓
SALVAGE			
	–	–	✓
HARBOUR TOWAGE			
	✓ (4%)	✓ (4%)	✓ (50%)

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

LOST TIME INJURY FREQUENCY (LTIF) BOSKALIS

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

BOSKALIS LTIF



As from 2013 joint ventures and associated companies are not included (please refer to page 66 of this report for more information on the scope).

	2014			2013		
	LTIF	HOURS (MILLION)	LTI'S	LTIF	HOURS (MILLION)	LTI'S
Dredging & Inland Infra						
Europe	0.12	3.29	2	0.27	2.98	4
East	0.00	2.00	0	0.00	0.64	0
Middle (incl. Nigeria)	0.09	2.15	1	0.04	4.68	1
West	0.07	2.67	1	0.00	2.64	0
Middle East	0.00	1.54	0	0.00	0.54	0
Inland Infra	0.07	8.89	3	0.11	7.90	4
Total Dredging & Inland Infra	0.07	20.54	7	0.09	19.34	9
Offshore Energy	0.14	12.82	9	0.06	12.51	4
Salvage	0.00	0.89	0	1.08	0.56	3
Towage (North West Europe + America's)	0.17	2.41	2	0.34	2.87	5
Smit Amandla Marine	0.07	2.96	1	0.00	3.41	0
Office & yards	0.07	2.99	1	0.13	3.17	2
GRAND TOTAL	0.09	42.61	20	0.11	41.96	23

VERIFICATION STATEMENT

To the Stakeholders of Royal Boskalis Westminster N.V.

Objectives

Bureau Veritas was engaged by Royal Boskalis Westminster N.V. (Boskalis) to provide independent verification of selected performance disclosures as presented in its Corporate Social Responsibility Report 2014 (the CSR Report). The objective of the verification is to provide assurance to Boskalis and its stakeholders over the accuracy and reliability of the reported information and data.

Responsibilities of Boskalis and Bureau Veritas

The collation, calculation and reporting of the data is the sole responsibility of Boskalis. The responsibility of Bureau Veritas is to provide independent assurance to stakeholders on the accuracy and reliability of the selected key performance disclosures, and to express our overall opinion as per the scope of engagement defined in this statement.

Scope of work

The scope of our verification engagement covered the performance disclosures made by Boskalis against the following selected indicators: LA1, LA2, LA4, LA7, LA8, LA10, LA11, LA12, LA13, SO1 and HR2 according to the criteria set out in the Global Reporting Initiative (GRI) 3.1 guidelines.

The reporting boundary for the selected key performance disclosures covers Boskalis's global operations, excluding joint ventures, in line with the latest IFRS11 standard, covering the period 1st January 2014 to 31st December 2014. For indicator LA7 the reporting scope also includes sub-contracted workers that fall under Boskalis's supervision.

Methodology

Bureau Veritas undertook the following activities:

- interviews with relevant personnel with responsibilities for the collection and management of information relating to the selected performance disclosures;
- assessing the acceptability and consistent application of the reporting criteria;
- reviewing the systems and processes for collecting and aggregating key performance indicators data as presented in the CSR report;
- assessing the understanding and application of the reporting criteria and verification, on a test basis, of calculations and reconciliations with supporting documents;
- performing analytical procedures and detailed checks on selected datasets

The work was undertaken in accordance with Bureau Veritas' methodology for assurance of sustainability data and reporting which is based on current good practice, informed by the International Standard on Assurance Engagements (ISAE 3000). The work was planned and carried out to provide a limited level of assurance and Bureau Veritas believes it provides an appropriate basis for its conclusions.

Our Conclusion

Based on the scope of our work we conclude that nothing has come to our attention that causes us to believe that:

- the selected key performance disclosures are materially misstated and
- the selected key performance disclosures have not been reliably prepared in accordance with the GRI 3.1 guidelines

Further and more detailed reporting is provided to Boskalis in a separate management report.

Limitations and Exclusions

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

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company with more than 180 years of history, that specializes in certification and auditing services related to public and customized schemes in the fields of quality, health, safety, environment and security as well as assurance services. Bureau Veritas has implemented a Code of Ethics to maintain high ethical standards among staff in their day to day business activities. Bureau Veritas provides certification services to Boskalis for its quality, health, safety and environmental management systems to international standards which we believe to be complimentary to this verification engagement. No member of the assurance team has a business relationship with Boskalis, its Directors or Managers beyond that required of this assignment. Bureau Veritas is vigilant in the prevention of conflicts of interest and believes this verification did not raise any such conflicts.



**BUREAU
VERITAS**

Bureau Veritas Inspection & Certification The Netherlands B.V.
March 2015

GLOSSARY

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

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

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

EBIT Operating result as reported in the consolidated income statement.

EBITDA Operating result before depreciation, amortization and impairment losses.

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

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

GTL (Gas to Liquids) A new, innovative synthetic fuel from Shell that helps to lower local emissions. GTL is colorless, almost odorless and virtually free of sulphur and aromatics. GTL has a high cetane number which means it burns much cleaner; this may help to reduce NO_x, SO_x and fine dust emissions compared to conventional diesel.

HFO Heavy Fuel Oil.

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

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

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

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

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

MDO/MGO Marine Diesel Oil/Marine Gas Oil.

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

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

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





Koninklijke Boskalis Westminster N.V.

Rosmolenweg 20
P.O. Box 43
3350 AA Papendrecht
The Netherlands

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

www.boskalis.com

