

CSR REPORT 2015



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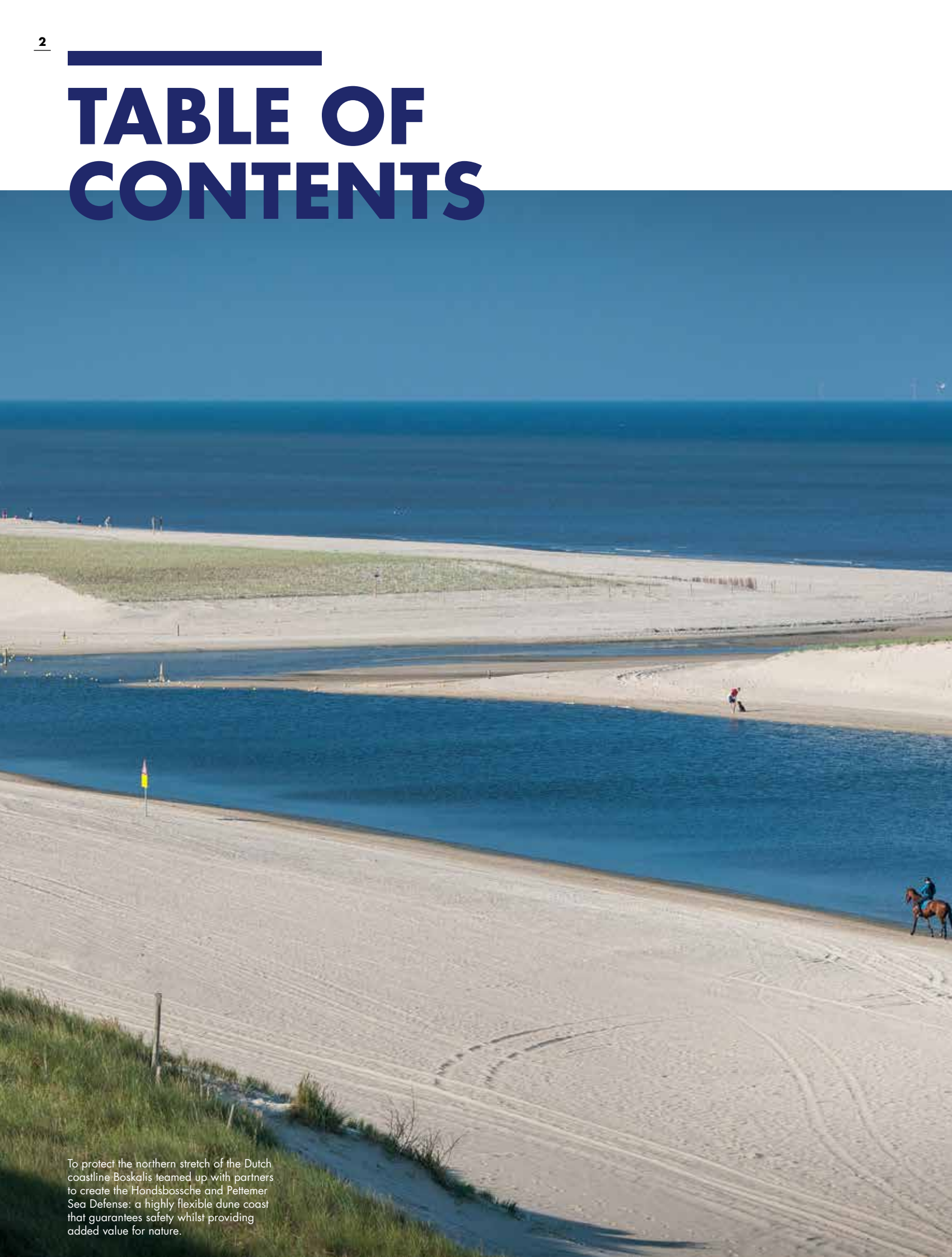
This report was drafted in accordance with the international guidelines of the Global Reporting Initiative (version G3.1).

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 and www.boskalis.com/annualreports.

TABLE OF CONTENTS



To protect the northern stretch of the Dutch coastline Boskalis teamed up with partners to create the Handsbossche and Pettemer Sea Defense: a highly flexible dune coast that guarantees safety whilst providing added value for nature.



4 **STATEMENT FROM
THE CEO**

6 **CONTEXT OF
CSR STRATEGY**

12 **OUR CSR STRATEGY**

22 **IMPACT ON LOCAL
COMMUNITIES**

32 **IMPACT ON THE
ENVIRONMENT
AND NATURAL
SURROUNDINGS**

46 **CARE FOR HUMAN
CAPITAL**

60 **RESPONSIBLE BUSINESS
CONDUCT**

70 **APPENDIX**

STATEMENT FROM THE CEO

2015 was a busy year for Boskalis, both in operational terms and with regard to CSR. During the past year we once again worked hard on improving our sustainability performance and made progress in a range of areas.



FOCUS ON MATERIALITY

Our company has grown strongly in the past few years, both organically and through acquisitions. Under increasingly complex circumstances we are asked as a partner to 'push back boundaries' for our clients, also in sensitive areas or in remote locations of the world. We are seeing growing interest in the topic of CSR among our stakeholders, across the board. Given this, there is a demand and a need to set priorities and create focus in our CSR strategy.

In 2015 we conducted a first materiality analysis, incorporating input from around 70 important stakeholders. We consider sustainable profitability to be a key prerequisite for the continuity of Boskalis. The analysis resulted in four CSR key topics being established: our impact on local communities, our impact on the environment and the natural surroundings, care for human capital and responsible business conduct. These topics together with a multitude of sub-topics form the backbone of our CSR policy. They have also been incorporated in our strategy and our reporting structure.

TAKING RESPONSIBILITY IN THE SUPPLY CHAIN

Boskalis wants to remain a frontrunner and to do business with partners and clients who act with responsibility and integrity. Supply chain management is crucial in this respect. We operate a code of conduct for our suppliers in the supply chain and perform an annual implementation scan to monitor their compliance.

In 2015 we once again extended the scope of the scan, visiting suppliers in Southeast Asia, the United States and the Middle East. We also increased the number of visits paid to second-line suppliers. Innovation and improving the sustainability of the supply chain is very important to us. Last year we specifically followed up on two initiatives which came out of the Meet the Buyer sessions organized in 2014. One concerns further research into an oil-cleaning system on board of our ships and the other is a biofuel pilot program.

THE PARIS AGREEMENT

The COP21 climate conference in December 2015 culminated in the Paris Agreement, which contains commitments concerning the impact of climate change and how this can be mitigated by limiting greenhouse gas emissions.

Although the shipping sector is excluded from these commitments to limit emissions, we do not believe that this gives the maritime sector carte blanche to disregard the spirit of the agreement. We take our responsibility by also taking the initiative to look into (innovative) ways of reducing the emissions produced by our equipment. The biofuel pilot program is aimed at the development of a drop-in marine biofuel that will meet the most stringent sustainability standards and could result in significant reductions in emissions (see pages 58-59).

In addition our core business enables us to provide adaptive and mitigating solutions for the impact of climate change. Through our coastal defense and riverbank protection activities we are able to help countries adapt to the growing risk of flooding. Our wind farm activities allow us to contribute to a more rapid transition to renewable energy. In 2015 we performed a great deal of work on the preparations for constructing the Wikinger offshore wind farm and in late 2015 we started work on the massive Veja Mate offshore wind farm in the German section of the North Sea.

ECO-ENGINEERING

Our Building with Nature approach plays an essential part in the projects we realize. In designing a project we take the natural system as our starting point and at the same time apply the principles of the circular economy. For example, wherever possible we use natural, renewable materials such as sand and mangroves for our coastal defense and riverbank protection activities. In 2015 we acquired the Marker Wadden, a large-scale nature restoration and creation project. The project will transform the ecologically impoverished Markermeer lake into a dynamic area with a rich animal and plant life. In 2016 Boskalis will install six artificial reef modules at the Larvotto underwater reserve in Monaco. The reefs consist of sand, were made using a 3D printer and will be used to improve the ecology and the quality of the seawater at the reserve. The idea

for this pilot project was the award-winning initiative in the Boskalis Innovation Challenge (see pages 20-21).

CARE FOR HUMAN CAPITAL

Constant innovation is crucial to Boskalis' future and the input of our employees is an essential part of this. Our open business culture enables our employees to develop their talents as well as providing scope for innovation and entrepreneurship.

Safety is a license to operate for Boskalis. Since the introduction of our NINA safety program injury frequency has fallen significantly, from 0.67 in 2010 to 0.08 in 2015.

OUTLOOK

This report and the materiality analysis represent an important step for us towards the GRI G4 guidelines. We have also achieved our objective of having all the KPIs in this report verified by an independent auditor.

Along with 2015 we conclude a period of exceptional growth and success, and prepare for a period of stagnation and rationalization, governed by low oil prices and a decline in the global demand for commodities.

This period will require us to stay sharp and innovative if we are to take advantage of opportunities in a competitive market and achieve lasting success. The CSR business case will remain a key part of our operations in this respect.

With a large diversified fleet of vessels, a very sound financial position and, above all, highly committed and passionate employees we are well placed to take advantage of these opportunities.

Any suggestions you may have for improving our CSR policy and the way we report on it are greatly appreciated and we are happy to engage with you on this subject.

On behalf of the Board of Management



Peter Berdowski

CONTEXT OF CSR STRATEGY





8 **OUR BUSINESS MODEL
IN A NUTSHELL**

10 **OUR VALUE CHAIN**

OUR BUSINESS MODEL IN NUTSHELL

MISSION AND VISION

Boskalis is a leading dredging and marine expert creating new horizons for all its stakeholders. We do so through a unique combination of people, equipment and activities. We provide innovative and competitive all-round solutions for our clients in the offshore energy sector, ports, and coastal and delta regions, always maintaining the highest standards of safety and sustainability.

MEGATRENDS

Our business drivers are clear long-term trends. Demand for our all-round solutions and (innovative) services is driven by global population growth and increasing prosperity, growth in world trade, the rising demand for (sustainable) energy, increasing demand for commodities, as well as climate change. Boskalis' strategy and activities are aimed at taking advantage of these global megatrends. Supported by our business model we seek to strike a balance between the interests of all relevant stakeholders.

STRATEGY

The Boskalis strategy is a natural consequence from our mission and vision as well as the global megatrends. In light of the changed market conditions and uncertainties in the short and medium term the strategic course for the coming period has been shifted from growth (Expand) to reinforcement (Strengthen) and taking advantage of the opportunities presented by the markets. This will involve tightening up the organization and rationalizing it in places (Rationalize). The emphasis will be on two pillars: Focus and Strengthen & Rationalize.

Focus is aimed at Value-Adding Assets and specific market segments, while the Strengthen & Rationalize pillar concerns all divisions. For further information please refer to the Strategy section of the 2015 Annual Report.

INNOVATION

Ongoing innovation is crucial to our future. We provide our employees with every opportunity in that respect, for example through the Boskalis Innovation Challenge. A good example can be found on pages 20-21 of this report.

ACTIVITIES

In addition to our traditional dredging activities, we offer a broad range of maritime services for the offshore energy sector. We are also active in towage services, emergency response and salvage related services. With our great expertise, multidisciplinary approach, versatile state-of-the-art fleet and extensive experience

in engineering and project management we have proven time and again that we are able to realize complex projects on time, safely and within budget, even at difficult locations anywhere in the world. With over 8,200 employees and our fleet of 1,000 vessels and floating equipment, we aim to design and realize sustainable solutions.

EMPLOYEES

Our business is project-driven and capital and knowledge intensive. We invest in staff training and development to ensure a steady supply of talented and skilled employees. Most of our employees have a permanent appointment. The majority of this core has been with us for many years and the turnover is low. For projects our core is supplemented by employees drawn from a flexible shell. Depending on the project requirements these employees are hired locally where possible and/or appointed on a temporary contract, which in many cases ends at the conclusion of the project. For more information please refer to pages 76-77 in this report.

MARKETS

Boskalis operates globally and focuses on market segments that demonstrate long-term structural growth: Energy (oil, gas, wind and decommissioning), Ports and Climate change-related activities (coastal defense and riverbank protection). This spread gives us both a solid foundation and the flexibility to secure a wide range of projects, and also provides good prospects for balanced and sustained growth. We operate on behalf of clients in over 75 countries across six continents.

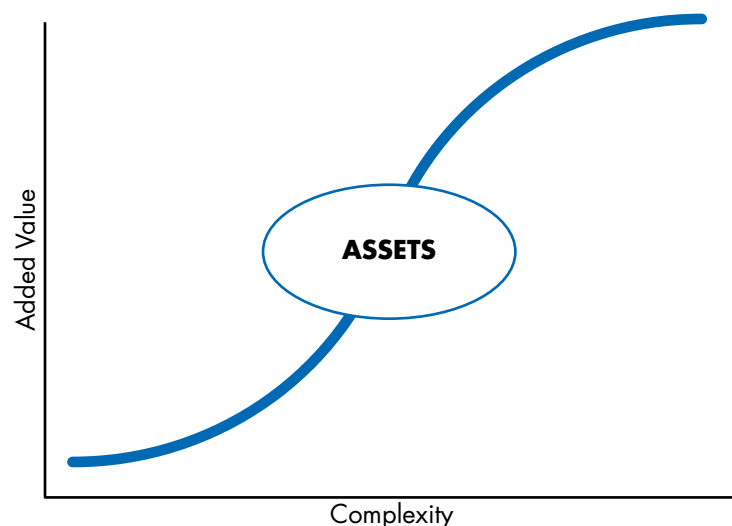
VALUE-ADDING ASSETS

Boskalis will sustain its success as long as we add value for all our stakeholders by using our, diversified fleet, staff and competencies to provide a balanced service to the various client groups. However, our clients' requirements and the associated project risks vary widely, both within and between the market segments, which means that choices have to be made. Boskalis focuses on the availability and supply of Value-Adding Assets. We have clients who demand from us integrated, innovative services or turnkey solutions. In order to meet these client needs we require

competencies that complement and reinforce one another, such as risk management and engineering. In addition, we need to be able to act as lead contractor, whereby project management experience is essential. In this segment with its higher margin potential we expressly position ourselves globally towards the top of the S curve (see below). By operating our assets at various points on the S curve we seek to achieve the optimum balance between margin maximization and fleet utilization. In a market where both volumes and margins are under pressure most of the work is to be found in the bottom half of the S curve and the emphasis lies on sustaining fleet utilization levels whilst maintaining a responsible risk profile. Cost leadership is an important prerequisite here. At the same time we need to be critical with regard to the scope for adding sufficient value to assets at the bottom of the S curve, where pressure on capacity is greatest. If there is insufficient scope for sustainable value creation we will divest assets (rationalization).

For more information about our organizational structure, profile, key figures and results for 2015, shareholder information, market developments and outlook, please refer to our 2015 Annual Report: inside cover and pages 8-9, 16-17, 32-40, 63-127 and 142-144.

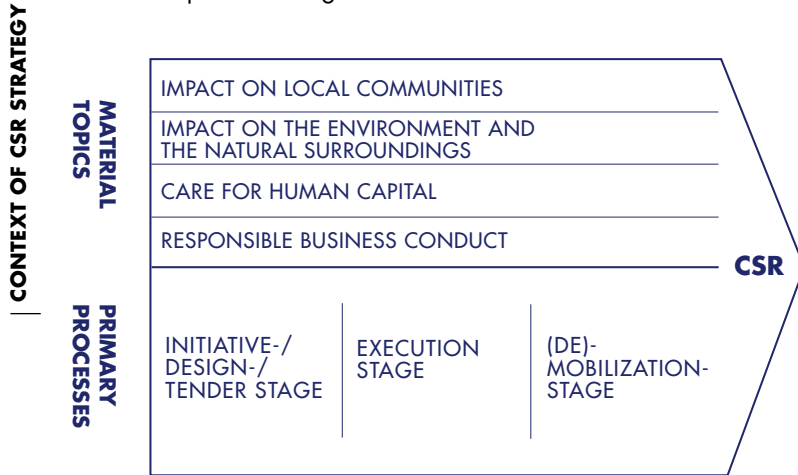
S-CURVE – ADDING VALUE



OUR VALUE CHAIN

In our value chain we are guided by our Statement of General Business Principles, which is based on international guidelines such as the Universal Declaration of Human Rights. We endorse the principles of the International Labour Organization, the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

The value chain below shows where our impact can be material and which key topics are important. These topics will be discussed further on in this report. In order to show our impact, we distinguish the following three stages in our primary processes. We will explain this in greater detail elsewhere in this section.



Clients and suppliers are our most important chain partners. Cooperation in the chain enables us to create awareness and understanding, exchange ideas and combine innovations that make our chain more sustainable.

CLIENTS

Our most important client groups, to whom we supply a wide range of (integrated) solutions or services, are to be found in the following sectors:

- Energy: oil, gas and wind energy companies, mining firms and related EPC-(sub)contractors;
- Ports: port and terminal operators, governments, shipping companies, agents and insurance companies;
- Infrastructure: (international) project developers and (local and regional) governments.

SUPPLIERS

Boskalis maintains relationships with around 1,375 suppliers for the central procurement of machinery and hydraulics, electro & survey equipment, wearing and construction parts, and facility goods and consumables. Around 260 of these are strategic

suppliers accounting for 90% of the purchasing volume. Our suppliers are bound by a code of conduct and we perform annual implementation scans to ensure compliance. We look at this in more detail in the 'Responsible Business Conduct' section, pages 66-68.

PARTNERSHIPS

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

- The Ecoshape foundation, a partnership with public authorities, knowledge centers, businesses and an NGO. Boskalis has invested EUR 3,750,000 in the Building with Nature program over the past seven years. (See also page 35 of this report.)
- Partnerships with Van Voorden, Vosta, Allard and Magotteaux resulting in the establishment of cradle-to-cradle chains for worn-out impellers, dredging pumps and pick points, as a result of which 704,000 kilograms of material was recycled in 2015. (See also the case study on our corporate website.)
- Partnership with Van Beelen for the recycling of worn-out floating dredging lines. (See also the case study on our corporate website.)
- Partnership with GoodFuels, established in 2015, focusing on the development of a drop-in marine biofuel to meet the highest sustainability standards which could lead to significant emissions. (See also pages 58-59 of this report.)
- Partnership with NGO Shipbreaking Platform for the sustainable dismantling of our ships. (See also the case study on our corporate website.)
- Partnership with NGO North Sea Foundation, through which we are the main sponsor of the Boskalis Beach Cleanup Tour (see also page 29 of this report).
- Partnership with NGO Prosea marine education Foundation, for the joint delivery of Marine Environmental Awareness training courses for our fleet personnel and office staff. (See page 43 of this report.)

In addition to the above, we have partnerships with sector organizations, educational institutions and knowledge centers, and engage with NGOs at a local level in countries including Nigeria and South Africa.

QUALITY MANAGEMENT

Certification shows that we comply with internationally recognized management, environmental and safety standards. Almost all Boskalis business units are certified according to ISM, ISO 9001, ISO 14001 and OHSAS 18001, or VCA for our Dutch operations. A list of the various certificates we hold is included in the appendix.

In line with the new divisional structure, in 2015 we worked on a (new) integrated quality management system which supplements our existing tools, processes and certifications. The purpose of the new system is to allow Boskalis to achieve, together with its clients, even greater success as a company. Implementation will take further shape in the current year.

IMPACT, RISKS AND OPPORTUNITIES

In our value chain, a successful execution of our strategy relies on effective management of both risks and opportunities. 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 office in Papendrecht. In order to show our impact, we distinguish the following three stages in our primary processes.

STAGE 1: INITIATIVE/DESIGN/TENDER

Early involvement in a project enables us to work with the client to create a design that is as sustainable as possible and to select the working methods best suited to the technical requirements and statutory environmental standards.

STAGE 2: EXECUTION

This is the stage in which we have the most impact on people, the environment and society. We create value through:

- construction and maintenance of ports and waterways, offshore services and towage services;
- land reclamation activities;
- coastal defense and riverbank protection work;
- wreck removal, salvage and emergency response at sea.

Our activities in these areas are characterized by relatively high safety risks and their execution can affect local communities, the environment and ecologically vulnerable areas. This report sets out how we deal with these risks and how we seek to mitigate them.

STAGE 3: MOBILIZATION/DEMobilIZATION

Sometimes the equipment we deploy on our projects has to be mobilized over great distances and subsequently demobilized after the completion of the project.

An efficient logistical process allows us to reduce fuel consumption and the associated burden on the environment, as well as to save costs. In addition, we seek to perform our logistical operations as safely as possible.

For a detailed description of the risk management and control processes related to the principal strategic, operational and financial risks, please refer to pages 49-54 of our 2015 Annual Report.



OUR CSR STRATEGY



Boskalis is involved in a number of Room for the River projects in the Netherlands which not only mitigate the flood risk but also give a boost to nature and recreation.



14 MATERIALITY

18 OBJECTIVES AND RESULTS

MATERIALITY

Boskalis' most important strategic objective is the creation of long-term sustainable profitability.

Our company has grown strongly in the past few years, both organically and through acquisitions. Under increasingly complex circumstances we are asked as a partner to 'push back boundaries' for our clients, also in vulnerable areas or in remote locations of the world. However, we are seeing growing interest in CSR among our stakeholders, across the board. Given this there is a demand and a need to set priorities and create focus in our CSR strategy.

MATERIALITY ANALYSIS

Long-term profitability is a fundamental prerequisite for achieving our business objectives and for the continuity of Boskalis. It is a measure of the efficiency of our business and the value that clients attribute to our services. A sound financial basis is essential to meeting our responsibilities. We report on our financial performance in our 2015 Annual Report and refer for more information to the Report of the Board of Management (pages 32-61), Financial Statements (pages 63-127) and Ten-Year Overview (page 138).

For an integrated strategic approach aimed at a healthy balance between long-term profit growth and our social responsibility it is important to identify the material topics that are involved. In the CSR domain a materiality analysis is used to gain insight into the relevance and importance of CSR topics for the company on the one hand and the stakeholders on the other.

Assisted by an independent advisor Boskalis carried out its first materiality analysis in 2015. The Global Reporting Initiative sets out a five-stage process to create a materiality matrix. Boskalis followed this process in the establishment of its materiality matrix.

Boskalis' group management has selected relevant key and sub-topics derived from Boskalis' strategy, its activities as well as from international guidelines and regulations and legislation. The completeness of the list was checked by means of a peer review against topics relevant for the maritime sector. Next, our most important stakeholder groups were defined – investors and shareholders, employees, clients, suppliers and non-governmental organizations (NGOs) – and a total of 66 stakeholders were selected from across these five stakeholder groups. These stakeholders either have an influence on our license to operate or can be significantly impacted by our activities.

Desk research and interviews were used to determine how important the individual sub-topics are to the stakeholders, with the Boskalis group management following the same process to determine how important the topics are to Boskalis.

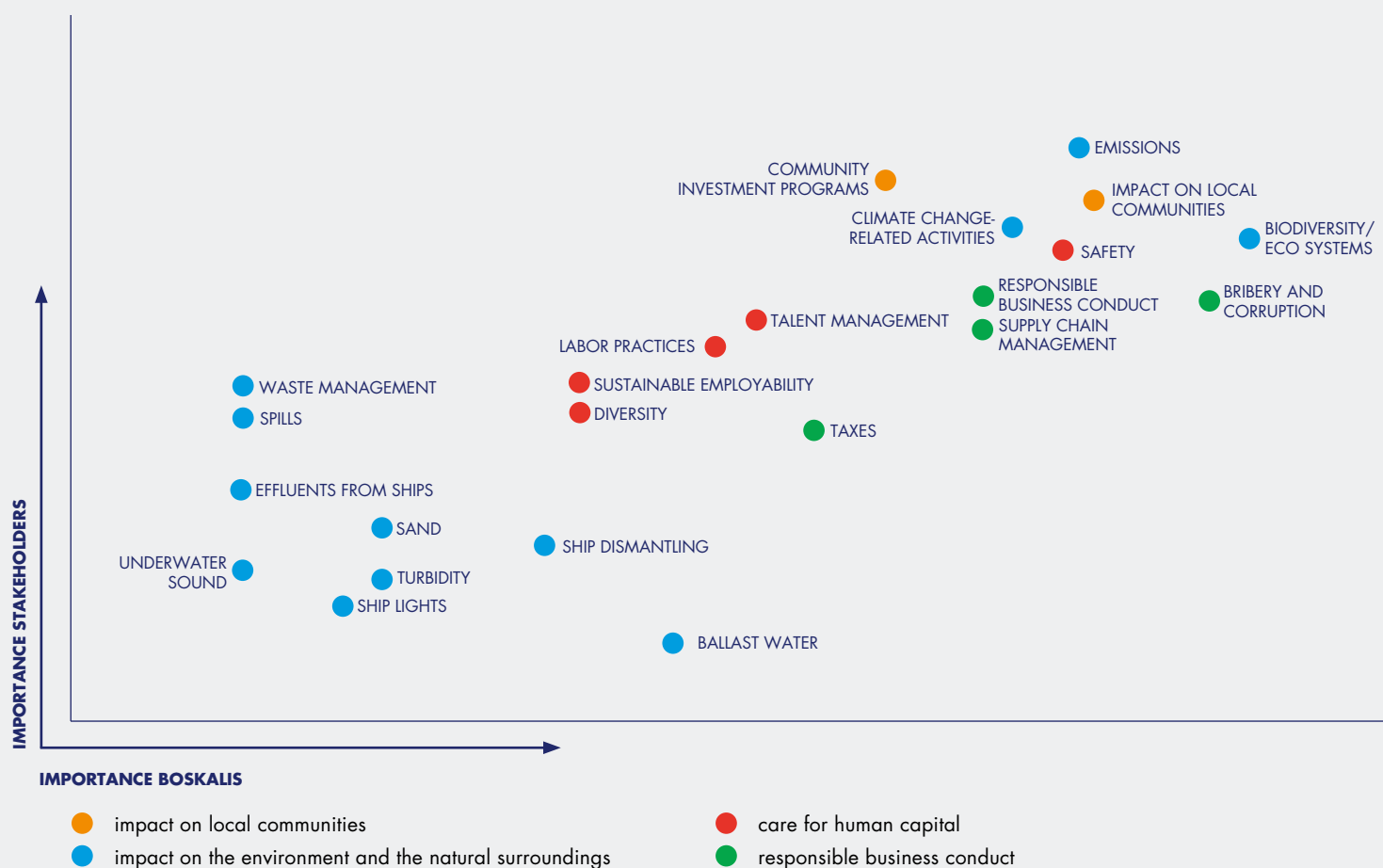
The results are displayed graphically in the following materiality matrix, with the y-axis showing the importance that stakeholders attach to the topics and the x-axis showing the importance attached to the topics by Boskalis. Topics displayed in the top right

hand of the matrix are considered material by both the stakeholders and Boskalis. These topics are key elements of both the Boskalis CSR strategy and the reporting. We have attached objectives and Key Performance Indicators (KPIs) to these topics, which are explained in more detail in this report. We aim to review and fine-tune the objectives and KPIs in the coming years.

None of the topics are unimportant to Boskalis; the position in the matrix is only a representation of our understanding of the relative importance of these topics to the business and the stakeholders.

The materiality matrix is by definition a snapshot and as such will be monitored periodically in consultation with our stakeholders and fine-tuned or revised if necessary.

MATERIALITY MATRIX



MATERIAL TOPICS

This report considers the following four strategic key topics and associated sub-topics, with our reporting taking account of the importance as shown in the materiality matrix.

KEY TOPICS	SUB-TOPICS
IMPACT ON LOCAL COMMUNITIES	
Create shared positive values and avoid, mitigate or remedy (potential) adverse impact	<ul style="list-style-type: none"> ▪ Activities with (potential) positive/adverse impact ▪ Socio-economic impact ▪ Community investment programs
IMPACT ON THE ENVIRONMENT AND THE NATURAL SURROUNDINGS	
Be the distinguishing provider of sustainable solutions and mitigate and where possible avoid (potential) adverse impact	<ul style="list-style-type: none"> ▪ Biodiversity and ecosystems ▪ Activities related to climate change ▪ Emissions ▪ Use of natural resources ▪ Activities related to the fleet
CARE FOR HUMAN CAPITAL	
Attract and retain talent and provide them with a safe working environment with good development opportunities	<ul style="list-style-type: none"> ▪ Safety ▪ Talent management ▪ Labor practices ▪ Sustainable employability ▪ Diversity
RESPONSIBLE BUSINESS CONDUCT	
Be a partner that acts with integrity, reliability and responsibility towards stakeholders	<ul style="list-style-type: none"> ▪ General business principles ▪ Bribery and corruption ▪ Tax ▪ Supply chain management



Inspection of a dredging vessel's pump casing.

OBJECTIVES AND RESULTS

We have formulated objectives for each key topic. The following overview shows the objectives and corresponding results achieved in 2015. A more detailed explanation of each topic is given in the relevant sections of this report.

KEY TOPIC	OBJECTIVES	RESULT IN 2015	REFERENCE
IMPACT ON LOCAL COMMUNITIES	Monitoring potential positive and adverse consequences and investing in: <ul style="list-style-type: none"> Jobs Purchasing goods and services from local suppliers Education and research Sponsoring and donations 	<ul style="list-style-type: none"> Number of interns, graduates and doctorate students: 201 Boskalis Beach Cleanup Tour Socio-economic development program in South Africa 	Pages 27-29
IMPACT ON THE ENVIRONMENT AND THE NATURAL SURROUNDINGS	MAINTAINING BIODIVERSITY <ul style="list-style-type: none"> Long term: every project based on Building with Nature Short term: 1 Building with Nature project per year 	<ul style="list-style-type: none"> EUR 500,000 investment in Building with Nature program Showcase projects: Marker Wadden, Hondsbossche and Pettemer Sea Defense and sea defense in Indonesia 	Pages 35-37
	ACTIVITIES RELATED TO CLIMATE CHANGE Adaptation through flood protection	Showcase projects: <ul style="list-style-type: none"> Room for the River projects: Nieuwe Merwede, Waal, IJssel Hondsbossche and Pettemer Sea Defence Sea defense in Indonesia 	Pages 35-37
	ACTIVITIES RELATED TO CLIMATE CHANGE Mitigation by supporting renewable energy via wind farm activities	Showcase projects: <ul style="list-style-type: none"> Wikingier DoWin2 Veja Mate Galloper 	Page 37
	EMISSIONS R&D into emission reductions through innovations, energy saving and alternative fuels	In 2015 our CO ₂ emissions in metric tons ('000) amounted to 1,521 (2014: 1,608) Roll-out of two-year biofuel pilot program	Pages 40, 58-59
	FLEET-RELATED ACTIVITIES Raising environmental awareness among crew. Our aim is for all our captains and chief engineers to have taken the course by the end of 2016	Two Marine Environmental Awareness training courses were given in 2015 with the Foundation Prosea marine education.	Page 43
CARE FOR HUMAN CAPITAL	SAFETY <ul style="list-style-type: none"> No Injuries, No Accidents Company-wide introduction of NINA Focus on Total Recordable Injury Rate (TRIR) 	LTIF 2015: 0.08 (2014: 0.09) TRIR 2015: 0.70 NINA was introduced across the group and TRIR was introduced as a new KPI	Pages 49-50
	TALENT MANAGEMENT	Training hours: 129,503 Retention management	Pages 54, 76-77
RESPONSIBLE BUSINESS CONDUCT	Introduction of a single quality standard for socially responsible procurement for the Dutch maritime sector	An initiative has been started with MVO Nederland (CSR Netherlands) aimed at realizing this quality standard within two years	Page 68

In 2015 our sustainability performance was monitored and benchmarked by various bodies including:


- Boskalis was once again certified for the highest level of the CO₂ Performance Ladder (level 5) in the Netherlands.
- We finished 71st out of 485 companies surveyed for the Transparency Benchmark of the Dutch Ministry of Economic Affairs.
- Once again we took part in the Carbon Disclosure Project, a global reporting platform that makes information on emissions available to subscribed investors.
- The design and construction of the Second Maasvlakte project

in Rotterdam won the Prof. dr. ir. J.F. Agema Prize. The prize is awarded every five years to the marine engineering project judged best in terms of quality, innovation and sustainability by a jury of experts.

- We also won various safety awards, a list of which can be found on page 51 of this report.



3D PRINTED REEFS



Six artificial reef modules are due to be installed by Boskalis at the Larvotto underwater reserve in Monaco in 2016. The reefs consist of sand, were made using a 3D printer and will be used to improve the ecology and the quality of the seawater at the reserve.

The idea for the pilot project was developed by Astrid Kramer and her colleagues at Boskalis' in-house engineering company Hydronic. Their idea for manufacturing the reefs based on scientific and ecological principles won the Boskalis Innovation Challenge in 2014.

CORAL REEFS UNDER PRESSURE

All over the world coral reefs are under pressure and initiatives are being developed to protect and restore them. Boskalis is very experienced in the restoration of habitats, large-scale coral relocation and the use of artificial reefs. "Until now artificial reefs were made using concrete, car tires and even ship wrecks. But such material is poorly suited as a foundation for new coral," says Astrid. "For this project we are using sand from the Dolomites, the composition of which is compatible with the local environment."

Boskalis' partners on the pilot project are Fondation Prince Albert II de Monaco (FPA2), the Monaco Association for Nature Protection (AMPN) and 3D printing company D-Shape. Philippe Mondielli, scientific director of FPA2: "These artificial reefs can help to improve the ecology and the quality of the seawater in the Larvotto reserve." Boskalis made it known that it was looking for a site where it could gain knowledge and experience of designing, making, installing and monitoring 3D printed coral reef modules. The foundation put the Boskalis team in contact with AMPN, which manages the Larvotto nature reserve. AMPN was looking to boost its knowledge about the impact of artificial reefs on the reserve and saw this as a unique opportunity.

SIX ARTIFICIAL REEF MODULES

The pilot project is supervised by an international team of marine scientists who have researched topics including what foundation

Astrid Kramer and Jamie Lescinski with a model of a 3D printed artificial reef.



Start of the printing process.



The 3D printed module nears completion.

and what reef geometry are best suited to the development of marine life in the Larvotto reserve. "All these characteristics are incorporated into a single 3D design", says Jamie Lescinski, project manager at Boskalis.

The pilot project will involve making six artificial reefs using a 3D printer. The reef modules are shaped like a mushroom measuring about 2 meters in diameter and 1 meter in height. The printing process involves mixing sand with an environmentally friendly binding agent. When dry an artificial reef weighs around 2.5 tons. A life-size model presented at the 40th anniversary celebrations of the Larvotto reserve in October 2015 attracted great interest.

Boskalis is coordinating the design and production, and will also be responsible for transporting the reefs to Monaco and installing them there. The installation will be followed by the monitoring stage. "This is the essential part of the project," continues Jamie. "Habitat surveys will be carried out under the supervision of FPA2 over a period of at least two years in order to record the developments in minute detail. This will be done in close cooperation with the scientific world in order to gain a solid understanding of how the reefs contribute to the local habitat and development of marine life."

All parties involved view this as a unique opportunity to contribute to a new vision on artificial reef development. If the pilot is successful, it could make an important contribution to boosting biodiversity and building or restoring ecosystems around the world.

Read more in our client magazine at boskalis.com/magazine.

IMPACT ON LOCAL COMMUNITIES



Boskalis Beach Cleanup Tour.



24 INTRODUCTION

**25 IMPACT OF OUR
ACTIVITIES**

**26 SOCIO-ECONOMIC
IMPACT**

**27 COMMUNITY
INVESTMENT PROGRAMS**

INTRODUCTION

Activities related to the initiation, execution and completion of projects can have an impact on local communities and the environment. Maintaining and optimizing our social license to operate is essential to Boskalis' business activities and the long-term creation of value.

Our responsibility towards local communities is centered on:

- Impact of our activities
- Socio-economic impact
- Community investment programs.

More than 6,000 villages along the northern coast of Java are at risk of being washed away. Boskalis is one of the partners in the Building with Nature project aimed at turning the tide with dams made of wood cuttings, land reclamation and the planting of new mangrove forests. The project also provides for a fresh socio-economic boost through the development of sustainable forms of aquaculture. The support and input of the local population is essential.



IMPACT OF OUR ACTIVITIES

By monitoring the potential positive and adverse impact of projects on local communities and the environment, we can identify opportunities and risks and take appropriate action. Local communities primarily play a role in the Dredging & Inland Infra division projects.

Most of the projects executed by the Dredging & Inland Infra division are temporary in nature, often lasting for less than a year. In order to create the best possible support for our activities, we devote ample attention to community management and actively involve local residents and governments in both our plans and their execution.

We aim to hire as many local workers as possible on projects and offer fair employment and decent working conditions. In countries where we engage in a large number of projects, the share of temporary employment contracts can almost reach 90%.

Depending on a project's nature, size and duration, we can offer jobs in areas including the logistical operation (such as the transport of people, goods and equipment and arranging visas), support functions (such as HR, SHE-Q, (financial) administration, procurement, PR, catering, security and accommodation) and operational jobs (such as engineers, welders, deck hands and workshop staff). Local workers are given additional training if necessary as well as safety training as a matter of course to ensure that they can carry out their work according to our own high (safety) standards. We take care to provide good accommodation, recreational facilities and means of keeping in touch with the home front. The local medical facilities are assessed

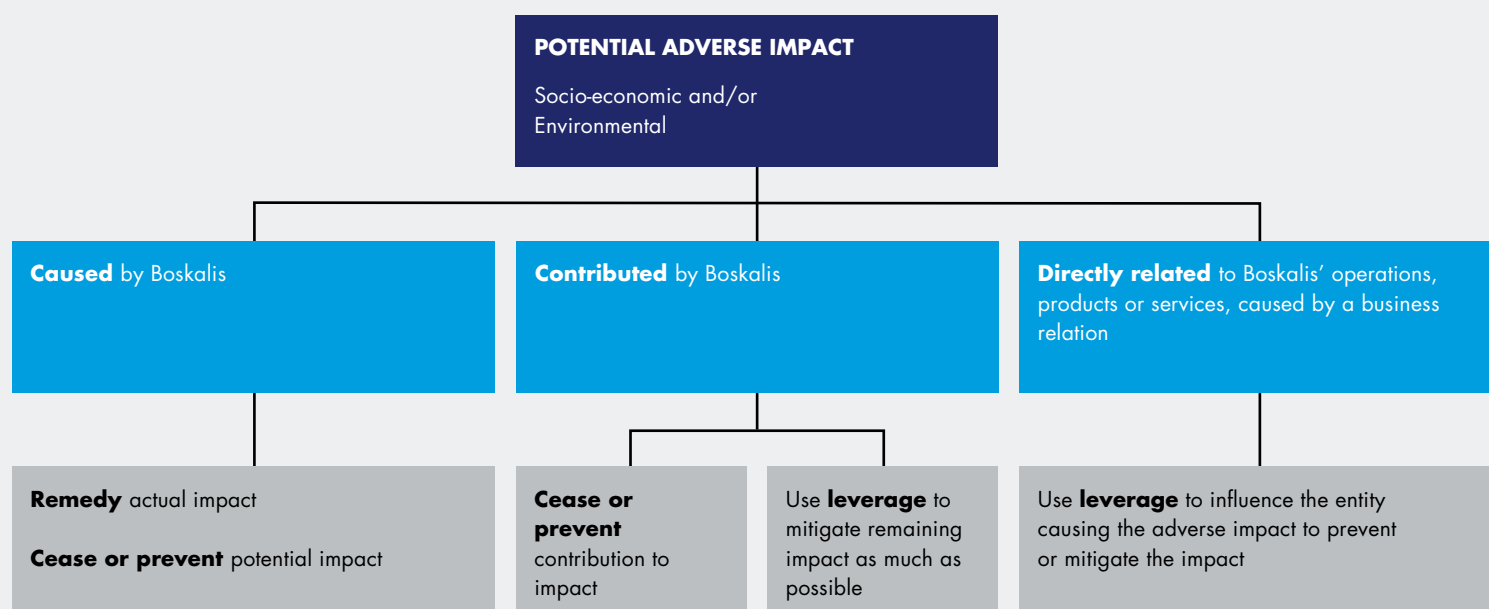
at every project site and where necessary we set up a temporary clinic and hire medical staff locally. On a recent project we set up a temporary clinic that was staffed around the clock by local medical professionals. Upon completion of the project, part of the clinic's inventory was donated to a local First Aid station.

In a number of countries, including Germany, Finland, Sweden, the United Kingdom, Nigeria, Mexico and Singapore, we have a permanent presence and make targeted investments in the schooling of local, mostly permanent, staff.

In addition, we purchase goods and services from local suppliers whenever possible. Such goods may include fuel, food, facility consumables, wearing and construction parts for our equipment, safety products and equipment such as bulldozers, cars, trucks, cranes and small floating equipment. Office space is mostly rented and where possible we use local shipyards.

It is reasonable to expect Boskalis to seek to avoid a potential adverse impact arising from our activities and services, and otherwise to mitigate or remedy this impact. We exercise our leverage if we are in a position to bring about change at the entity responsible for the adverse impact. Our ability to do so can be limited, depending, for example, on the nature of the business relationship or the complexity of the supply chain. We endorse the OECD Guidelines for Multinational Enterprises on responsible business conduct. The schedule below sets out three possible scenarios with suggestions for appropriate actions.

OECD GUIDELINE APPROACH POTENTIAL ADVERSE IMPACT



Source: OECD Guidelines for Multinational Enterprises.

SOCIO-ECONOMIC IMPACT

Our activities promote further development of prosperity and deliver innovative, safe and sustainable solutions, even in remote and vulnerable areas, with regard to:

- Protection against flooding, for example due to climate change, through the execution of projects such as the Hondsbossche and Pettemer Sea Defense.
- Meeting the growing demand for (renewable) energy through our activities related to wind farms. Showcase projects include DolWin2.
- Land reclamation for residential, commercial and recreational purposes through projects like Pluit City in Indonesia, FP1 in Singapore and Punta Pacifica 2 in Panama.
- Facilitating growth in world trade through the construction and maintenance of ports and waterways, for example the expansion of the Suez Canal in Egypt.
- Assistance to vessels in distress and removal of fuel, thus avoiding major potential environmental damage, like the removal of 427 tons of heavy oil and 125 tons of diesel oil from the sunken Dutch freighter Flinterstar.

For more information on the project examples we refer to our client magazine at boskalis.com/magazine.



COMMUNITY INVESTMENT PROGRAMS

Boskalis has a tradition of supporting scientific research that is of actual or potential relevance to our sector. Together with knowledge centers and universities we engage in (fundamental) research as well as sharing knowledge through lectures and presentations. At Delft University of Technology we co-fund a Chair of Dredging Technology and supply a scientific officer. In addition, we facilitate a dual lectureship between Delft University of Technology and Wageningen University. Every year Boskalis supervises interns, graduates and doctorate students. The figure for 2015 was 201 (2014: 124).

Our people at our offices and on our projects develop initiatives that are supported by Boskalis' management. These include donating safety bonuses to local good causes and making contributions to healthcare, education and infrastructure. We have made a conscious choice not to opt for a centrally managed

community program, believing that local office and project organizations are in the best position to select and support suitable local initiatives. Their intrinsic motivation leads to the most successful partnerships. An example is the malaria prevention program we set up with a local NGO in Nigeria. Some clients believe it is important to support local communities and take this into consideration when awarding a project. For examples of investments made in 2015 we refer to the next two pages.



The malaria prevention program in Nigeria included the distribution of 2,000 impregnated mosquito nets.

THE SOCIO-ECONOMIC DEVELOPMENT PROGRAM IN SOUTH AFRICA

In 2015 the Socio-Economic Development program of SMIT Amandla Marine (SAM) continued to focus on programs aimed at providing access to the economy for previously disadvantaged black* South Africans. SAM has entered into partnerships with a number of accredited educational and welfare 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. The SAM operation accounts for 7% of our workforce.

Some of the results achieved in 2015 include:

- 11 scholarships for primary, secondary and tertiary education awarded to children of lower-income employees.
- Full scholarships awarded to four black South Africans in their first year of maritime studies and maritime engineering at South African universities of technology.
- A donation of around EUR 3,700 to a dedicated maritime secondary school in Cape Town and a donation of around EUR 1,900 to a primary school feeding scheme in Port Nolloth.
- Sponsorship (over EUR 23,000) of a maritime economics textbook aimed at pupils in Grade 10 of secondary school, an online maritime economics knowledge bank (around EUR 6,500) for learners of this subject at secondary level and a new hand bike to be used by disabled people who are members of the Maties ParaSport organization.
- In addition, 60 employees took part in a number of community projects for Mandela Day, the annual international day in honor of Nelson Mandela.

* The term 'black' as used here was chosen by the South-African government and refers to South Africans of African, Colored and Indian extraction who were previously disadvantaged under the Apartheid regime in South Africa.



The family day of the Boskalis Beach Cleanup Tour attracted 205 Boskalis colleagues and their relatives, including 76 children.

BOSKALIS BEACH CLEANUP TOUR

The objective of the annual Boskalis Beach Cleanup Tour, an initiative of the NGO North Sea Foundation, is to clear waste along the full length of the Dutch North Sea coast and thus raise awareness of the issues around plastic soup. Boskalis has been the main sponsor of the initiative since 2013. This time the Boskalis Beach Cleanup Tour started on 1 August 2015 and ended on 27 August on the beach of the Dutch Wadden island of Schiermonnikoog. On 8 August a total of 205 Boskalis colleagues and their relatives, including 76 children, took part in the eighth leg of the Boskalis Beach Cleanup tour. Prior to this family day, members of Young Boskalis had already cleaned up the beach between the more southerly coastal towns of Rockanje and Oostvoorne. During the tour, a total of 11,555 kilograms of waste was collected by 2,015 volunteers. At the end of September the initiative was taken up on a smaller scale by colleagues of Dockwise USA in Houston. They took part in the comparable 'Texas Adopt-a-Beach' initiative, which involved cleaning part of the beach at Galveston.

OTHER COMMUNITY INVESTMENT PROGRAMS

In addition to the initiatives above, dozens of community initiatives were carried out at project level or by local offices in 2015. These activities took place in many countries, spreading from the UK to Mexico. Examples include donations to primary schools and orphanages in Nigeria and Mexico, sponsorship of a rescue boat and helicopter in Finland and support for health programs in Brazil.

Furthermore, hundreds of employees engaged in various charity initiatives supported by Boskalis.



MARKER WADDEN: GROUNDBREAKING ECOLOGICAL DESIGN FOR NATURE RESTORATION

In March 2016 Boskalis starts work on stage 1 of creating one of the largest nature restoration projects in western Europe: the Marker Wadden. The project will transform the ecologically impoverished Markermeer into a dynamic area with a rich animal and plant life through the creation of nature islands using sand, clay and fine sediment. "Building with Nature techniques play a key role in the project," says Hendrik Postma, director at Boskalis Nederland.

Lake Markermeer was created in 1976 when the Houtrib dike between Enkhuisen and Lelystad was completed. The dike had a major impact on the underwater environment of the lake. Fine sediment that was previously carried away by the current to Lake IJsselmeer now fell to the bottom of Lake Markermeer where it settled like a blanket, making the water of the lake turbid. As a result fish and bird populations have declined dramatically over the last decades. "With the creation of the Marker Wadden we want to rebalance the ecology," says Roel Posthoorn, Marker Wadden project director at the client, the Dutch Society for the Preservation of Nature (Natuurmonumenten). "Together the Markermeer and IJsselmeer form the largest freshwater clay lake in western Europe. At present it is just a huge lake of untamed and unused turbid water between Lelystad and Amsterdam. Over the past few years we have developed a vision to give Lake Markermeer a sustainable future, using the Dutch Wadden Area as a source of inspiration." Thanks to a contribution from the Dutch Postcode Lottery as well as support from the national government and the provincial authority of Flevoland,



Natuurmonumenten now has the opportunity to realize this vision. The Dutch Department of Public Works is responsible for the contract management.

RESONANCE

The ideas of Natuurmonumenten resonated with the vision of Boskalis, one of the founders of the Building with Nature philosophy. "That means that in designing shipping channels, ports or offshore wind farms we not only look at the hydraulic engineering part, but are able to include the ecological aspects right from the planning stage," explains Postma. "By developing ecological knowledge we are better able to predict natural processes. Applying that knowledge to our designs helps us to overcome resistance and speed up the preliminary process stage." Postma emphasizes that this approach can be applied to almost any project. "But the Marker Wadden project is a Building with Nature project par excellence. The landscape and the ecology have been given top priority from the very start. Our approach is based on the question of what provisions were needed to create a healthy habitat for plants and wildlife. Once that had been established it was then up to us, in our role of hydraulic engineer, to realize the plans. The interaction between the various parties to coordinate the wishes and practical possibilities culminated in this groundbreaking design."

APPROACH

"The objective of the parties involved is to select as smart as possible an approach that focuses on the creation of a common platform and the quest for optimization and innovation. One of the innovations we are introducing on this project is 'building with fine sediment'. This will allow us to develop a high-quality nature area using simple methods, Postma continues."

Stage 1 of the project comprises the creation of the first large island and a marshland with vegetation, shallow ponds, creeks and channels. Boskalis will construct a new area of around 300 hectares, both above and below the waterline. To protect it from storms we will construct beaches, sand banks and low dunes, linked by a rock dam. We will provide for gradual transitions from land to water, as well as creating various levels under water. This will allow the sediment to settle in shallow areas and creeks, thus creating a natural water purification system. In addition a special trench will be constructed to collect the fine sediment from Lake Markermeer. This 'sediment trap' will make the turbid water clear again. The captured sediment will be used to construct more islands in the future. "That is a unique aspect of this work, because the material is essentially too soft for building an island. This will be resolved by building ring dikes of sand to contain the sediment, which will then develop into a nature area. That is one of the Building with Nature applications that make this project so interesting," says Postma.

PARADISE

Posthoorn expects the Markermeer nature to stage a quick recovery. "The natural embankments will allow mussel beds to develop again. Water plants will start growing again, fish will resume their spawning and birds will return to the area," he says. The Marker Wadden will not only be a paradise for birds and fish, but also for nature lovers. The plans provide for the construction of a yachting marina as well as long walking trails, observation posts and children's play areas. "The preparations for the first phase are in full swing, execution will start in March 2016," says Postma. "It will take about 12 months for the first island to rise above the waterline, after which the development can start."

IMPACT ON THE ENVIRONMENT AND NATURAL SURROUNDINGS





34 INTRODUCTION

35 BIODIVERSITY AND ECOSYSTEMS

36 ACTIVITIES RELATED TO CLIMATE CHANGE

38 EMISSIONS

42 USE OF NATURAL RESOURCES

43 ACTIVITIES RELATED TO THE FLEET

INTRODUCTION



A Plan, Design & Construct contract provided for flood protection for the area around the Lower Rhine in the Netherlands. The realization of this Room for the River-project also resulted in improved quality of the surrounding area.

Having a distinguishing reputation for environmentally-friendly solutions for the sustainable management and development of vulnerable river, delta and coastal areas around the world is increasingly important. This is precisely where a substantial part of our work is located. In addition, mining firms and oil and gas companies keep pushing back the boundaries in terms of the exploration and exploitation of natural resources, which also includes moving into highly sensitive areas. This makes the ability to offer sustainable designs and solutions essential – for dredging work, offshore services and infrastructural works. The great diversity of both our markets and our clients means that we must engage in different emphases and priorities.

Our ISO 14001 certification, which has been translated into clear and practical guidelines, is an indicator of our permanent focus on applying and improving our environmental performance. We endorse the OECD Guidelines for Multinational Enterprises on responsible business conduct, as set out on page 25. Our starting point is not just to prevent or mitigate an adverse impact, but mainly to create opportunities for nature.

With respect to our impact on the environment and the natural surroundings, we specifically focus on:

- Biodiversity and ecosystems
- Activities related to climate change
- Emissions
- Use of natural resources
- Activities related to the fleet.

BIODIVERSITY AND ECOSYSTEMS

ECO-ENGINEERING

Boskalis is renowned for its eco-engineering expertise based on the Building with Nature philosophy. In designing a project we take the natural system as our starting point while taking the interests of all stakeholders into account. The resulting Building with Nature solution creates added value for the natural system as well as for all parties involved. This enables us to deliver tailor-made solutions, and thus make a positive contribution to a project's feasibility. The impact of our eco-engineering solutions is greatest when we can incorporate them at the design stage of a project. At present primarily our most demanding clients are open to this, but even so we promote the concept to all our clients. Where the project design has already been determined, we are able to optimize the sustainable execution of our activities by applying environmentally friendly techniques and working methods, as well as advanced prediction models and monitoring systems. We see to it that our execution is seamlessly matched to the requirements of the environmental permit. We are renowned for our environmental expertise in our markets.

TASKFORCE ECO-ENGINEERING

It is our ambition to realize our projects on the basis of the Building with Nature philosophy. In the short term, we aim to realize at least one Building with Nature project a year, subject to the willingness of our clients. Boskalis' Eco-Engineering Taskforce plays a leading role in this respect. In addition, the taskforce discusses, coordinates and shares knowledge and successes, and promotes internal awareness at the Dredging & Inland Infra and Offshore Energy divisions. This enables the early identification of opportunities for projects and initiatives as well as creating a platform within the company. Chaired by a member of the Board of Management, the Taskforce includes representatives of Boskalis' in-house engineering firm Hydronamic and senior management.

SUCCESSFUL PROJECTS

Over the past few years, we have reported on successful projects, such as a large-scale coral relocation in Jamaica and the protection of whales during a land reclamation project in Gabon. In 2015, we have been awarded the nature restoration project Marker Wadden (see pages 30-31 of this report) and have started with the pilot project involving 3D printed reefs in Monaco (see pages 20-21 of this report).

SOIL AND WATERBED REMEDIATION

Our expertise can also be called upon for soil and waterbed remediation. Boskalis Environmental carries out noteworthy remediation projects both in the Netherlands and abroad, whereby it re-uses as much material as possible after processing.

SALVAGE AND WRECK REMOVAL

With SMIT Salvage (salvage and wreck removal) we provide assistance to vessels in distress and prevent potential major environmental disasters. We employ solutions that are friendly to both the environment and the natural surroundings. The removal of sunken ships and offshore platforms almost always takes place in cases where a wreck is obstructing shipping or presents an environmental hazard. We use advanced technology and expertise to remove hazardous substances such as fuel from wrecks and have a successful track record in salvaging ships and platforms under challenging circumstances. Projects that attracted a great deal of attention in 2015 were the salvage of the sunken car carrier Baltic Ace and the removal of 427 tons of heavy oil and 125 tons of diesel oil from the freighter Flinterstar, which sank 10 km off the coast of Zeebrugge after colliding with an LNG carrier. In total, SMIT Salvage was involved with more than 50 casualties in 2015.

ACTIVITIES RELATED TO CLIMATE CHANGE



Global scientific research over recent decades has shown that there is a link between the increase in CO₂ emissions and climate change. Climate change leads to rising sea levels and coastal erosion, making coastlines more vulnerable and in need of extra protection. In addition, there are more extreme weather events and rivers are at greater risk of flooding. Boskalis offers sustainable adaptive and mitigating solutions in the form of the following activities.

FLOOD PROTECTION

Through our coastal defense and riverbank protection activities we are able to help countries to adapt to the consequences of climate change. Boskalis specializes in designing, realizing and maintaining sea defenses and beach replenishments. We widen rivers and channels and create floodplains to contain the water or facilitate drainage. Our Building with Nature approach plays an important part in the realization of these projects. In doing so, we also apply the basic principles of the circular economy by replacing materials such as concrete, basalt and rock for natural, renewable materials such as sand and mangroves. Examples include the creation of the Sand Motor, which allows for the natural and sustainable distribution of sand to protect the Dutch coast, and the combined approach of land reclamation and new mangrove forests to protect the North Java coastal area in Indonesia. This pilot program was launched in 2014 and in April 2015 turned into a public-private partnership with the aim of reinforcing the coastline over the next five years. Other examples in the Netherlands include the Hondsbossche and Pettemer Sea Defense project, which included the creation of a panoramic dune and beach lagoon (read



Transportation and installation of the DolWin2 High Voltage Direct Current (HVDC) converter platform, a 'big offshore socket' to which two or three wind farms can be hooked up.

more in our client magazine at boskalis.com/magazine) and the Green Wave-reducing Dike in the Noorderwaard polder. Under the Room for the River program the dikes of this polder, which lies to the south of the city of Dordrecht and covers an area of 2,000 hectares, have been lowered over a length of several hundred meters. In order to prevent the local residents from getting their feet wet and having to look out onto a high, unsightly new-build dike, a willow forest was planted along the front of the existing dike. The willows are pollarded every other year to encourage the stumps to produce new shoots, which absorb a large part of the wave action. The willows are expected to be able to absorb up to 80% of the waves' force.

USING RENEWABLE ENERGY TO MITIGATE CARBON EMISSIONS

Our offshore wind farm activities contribute towards greater availability of renewable energy. As one of the top five players in this market, we keep expanding our role by providing a broader range of services for increasingly complex projects. We provide our services for the transportation, delivery, installation and protection of substations, turbines and turbine foundations and through VBMS, also handle the supply and installation of cables. In addition, we are handling an increasing number of

construction, procurement and engineering services, in which logistics and risk management play an increasingly important role. The UK, Germany, the Netherlands, Belgium and Denmark are the countries where the most new offshore wind farms are being built, with around 30 offshore wind farm projects planned between now and the end of 2020. For most of these projects, the necessary environmental permits have already been secured, and in many cases the financial and other enabling conditions have also been met. Parallel to this, preparations are underway for the construction of several substations and grid platforms. The latter are the 'big offshore power sockets', to which two or three wind farms can be connected. Examples include SylWin1 and DolWin2, in which Boskalis was closely involved, and the DolWin3 platform, which we are due to transport and install in 2016. In 2015, we performed a great deal of work on the preparations for the Wikingen offshore wind farm, and in late 2015 we also started work on the design, procurement, manufacture, supply, transportation, installation and testing of 67 wind turbine foundations for the Veja Mate offshore wind farm in the German section of the North Sea. Furthermore, in 2015 VBMS won two contracts for the installation of power cables for the Galloper offshore wind farm that will comprise 56 wind turbines. This park is situated 27 kilometers off the Suffolk coast in the UK.

EMISSIONS

Boskalis also contributes towards environmentally-friendly solutions for emissions with innovations in equipment, working methods, energy saving and fuels. Our extensive R&D program enables us to anticipate changes in national and international legislation and creates the conditions for rapid implementation. Some of our forward-looking clients are already explicitly taking CO₂ emissions into consideration when awarding projects.

The COP21 climate conference concluded on 12 December 2015 with the adoption of the Paris Agreement, which sets out a clear plan to limit global warming by reducing greenhouse gas emissions. Although the climate agreement does not cover shipping, this, in our opinion, does not represent a carte blanche for the sector. We are taking our responsibility by exploring possibilities to reduce emissions produced by our equipment.

In 2015 we started a pilot program aimed at the development of a drop-in marine biofuel which meets the most stringent sustainability standards and could result in significant reductions in emissions. You can read more about this in the theme text on pages 58-59.

Boskalis measures and reports on the fleet's total CO₂ emissions based on fuel consumption. We currently do not consider it fruitful to set a quantitative target for annual fuel consumption due to the absence of a clear industry standard. A complex set of factors play a role, such as:

- different types of vessels;
- fleet utilization levels;
- nature of the projects, involving varying sailing distances, cargos and soil types.

In other words, a comparison of absolute fuel consumption figures does not provide an adequate reflection of the quality of our environmental performance.

We consult with the authorities via national and international sector associations, such as the European Dredging Association (EuDA) and the Dutch Association of Hydraulic Engineers. We share our technical knowledge with them in order to make emissions measurable. In doing so, we seek to work towards realistic regulations for our industry that are broadly supported. For more information please see the inset "Working towards an industry standard for emissions" on page 39.

TASKFORCE ENERGY MANAGEMENT

Our Taskforce Energy Management keeps a close eye on developments in national and international legislation and regulations on emissions. Chaired by a member of the Board of Management, the Taskforce includes specialists and professionals from the Offshore Energy and Dredging & Inland Infra divisions. The Taskforce has a steering role, pools knowledge and best practices, and promotes awareness within the organization.

CO₂ PERFORMANCE LADDER RESULT

In 2015 Boskalis once again obtained certification on the CO₂ Performance Ladder, achieving the highest level attainable (5) for the fourth consecutive year. The certificate applies to all business units operating on the Dutch market.

The CO₂ Performance Ladder is a tool used by government agencies and businesses in the Netherlands to encourage companies that take part in often complex tenders to adopt carbon awareness procedures in their own operations, in the execution of projects and in the chain.

The basic principle of the Ladder is to recognize efforts made by businesses in the areas of energy saving, efficient use of materials and renewable energy. The level achieved by companies on the CO₂ Performance Ladder translates into an advantage in tender evaluation procedures: the higher the level on the Ladder, the greater the advantage to the company during the tender procedure.

In the Dutch market, Boskalis pursues a policy aimed at reducing fuel consumption by its activities and on the projects. For this purpose, various initiatives were taken during 2015, including measures of a technical and organizational nature as well as behavioral change under the slogan 'Keep Fuel in Mind'. We work constantly on effectuating a change in behavior among our operators by recording and monitoring equipment fuel consumption levels and discussing ways of saving fuel while on the job. In addition there are various research projects into more efficient methods of transport, the use of diesel and gas in hydraulic sand transport and limiting noise and vibration nuisance for the surroundings. There will be a follow-up in 2016. Boskalis was also one of the initiators of Ecosystem-based CO₂ foot printing, an innovative development project that is part of the Ecoshape program. The project involves us working with various partners to realize the ambition 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 concerned into account right from the design stage. More information on the activities of Boskalis Nederland in the area of sustainability and its position on the CO₂ Performance Ladder can be found on www.boskalis.com/nederland (Dutch only).

BREEAM RATING

The objective formulated in 2014 to achieve a two-star BREEAM rating for the four main buildings at our head office in Papendrecht in 2015 has been met. BREEAM is an international environmental assessment method and rating system for buildings. Its main purpose is to promote awareness of energy consumption and sustainability among the building's users.

WORKING TOWARDS AN INDUSTRY STANDARD FOR EMISSIONS

The European Dredging Association, published a report early 2016 attempting to establish a generic methodology to predict the carbon footprint of different dredging equipment (trailing suction hopper dredgers, cutter suction dredgers and backhoe dredgers). The most important findings of the report are presented below.

The dredging sector in Europe is fully committed to play its role in implementing effective CO₂ emissions reduction schemes. However, there is an essential difference between the cargo shipping sector, which provides transport of goods and products across the globe, and the fleet of working vessels, which not only transport material, but also perform specific tasks such as seabed stabilization, offshore wind turbine installation, pipe/cable laying, land reclamation, coastal protection and dredging.

Each dredging project has a different scope and is carried out under specific conditions and technical requirements. This has resulted in a worldwide fleet of dredging ships with very diverse specifications adapted to the projects' specific requirements. The combination of unrepeatable project conditions and very diverse equipment specifications make it impossible to transpose efficiency indices and indicators for regular shipping to dredging operations for the purpose of assessing CO₂ emissions on a dredging project. The optimization of CO₂ emissions on a dredging project can best be achieved by evaluating the specific project conditions in the light of the different execution methods and available dredging equipment.

It is clear that the optimization of CO₂ emissions for the dredging sector is only effective at project level. Under specific project conditions, smaller or older vessels can match or outperform larger new dredgers. Moreover, because dredging is using energy for working and for sailing, the current Energy Efficiency Design Index (EEDI developed in IMO) as is, cannot be meaningfully applied to dredgers. For the same reason, the dredgers (along with the other "working and sailing" ships) were excluded from the Monitoring Reporting and Verification Regulation (aimed at CO₂ emissions from shipping) adopted by the Commission on 29th April 2015 and in force since 1st July 2015.

The report concludes that besides project specific parameters such as soil characteristics, dredging depth, sailing distance and discharge method including the possible pumping distance, additional non-project specific considerations such as the availability of the most efficient vessel, emissions due to mobilization of equipment and opportunities to combine operations must also be taken into consideration.

Despite these complexities the EuDA associated companies, including Boskalis, have produced a joint report for each main type of dredging equipment. This report contains generic estimates forecasting the CO₂ emission for specific types of equipment under defined project conditions. These generic estimates can be useful as a guideline for clients, however cannot be used to measure CO₂ emissions per production unit as a proxy for companywide CO₂ reduction targets.

CO₂-EMISSIONS 2015

Total emissions of the group in 2015 amounted to 1.52 million tons of CO₂ (2014: 1.61 million). This decline was due to lower utilization levels and shorter sailing distances for the Offshore vessels and further deconsolidation of the Towage activities. The drop was partly offset by the higher emissions at Dredging.

DREDGING & INLAND INFRA

CO₂ emissions at Dredging & Inland Infra amounted to 663,000 tons (2014: 574,000 tons), approximately 94% of which was attributable to the traditional trailing suction hopper dredgers and cutter suction dredgers. The 16% increase was on balance due to the following factors:

- Utilization of the hoppers increased to 43 weeks (2014: 40 weeks), partly due to the deployment of vessels on the Suez project. In addition the Freeway was taken into service in February, and the Fairway and the Strandway were in service for the full year (compared to only part of 2014). As a result installed capacity was 5% higher than in the previous year.
- Utilization of the cutter fleet fell slightly to 34 weeks (2014: 36 weeks). Project-specific features resulted in emissions from the cutters remaining virtually unchanged.

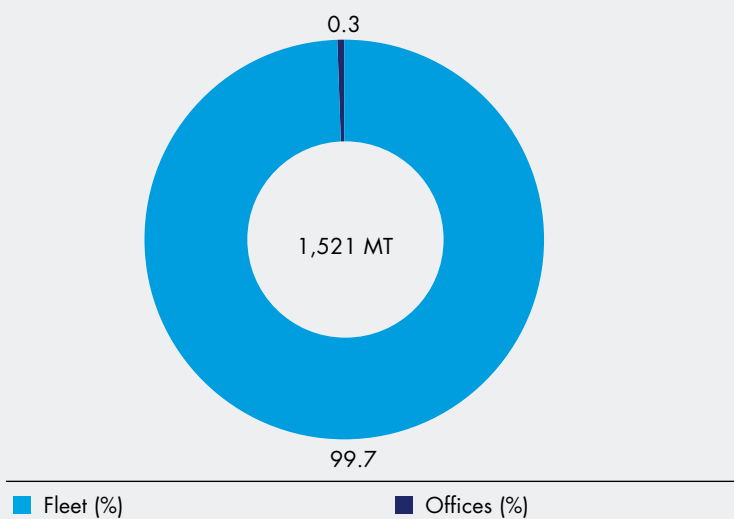
OFFSHORE ENERGY

CO₂ emissions produced by the Offshore Energy fleet in 2015 totaled 793,000 tons (2014: 934,000 tons). The 15% decline was mainly attributable to the lower utilization level of the Dockwise fleet, which was 76% in 2015 (2014: 84%). In addition the sailing distances of the fleet fell by 21%, resulting in lower fuel consumption and thus lower emissions. The taking into service of the White Marlin in the first quarter of 2015 only partially offset the decline.

TOWAGE & SALVAGE

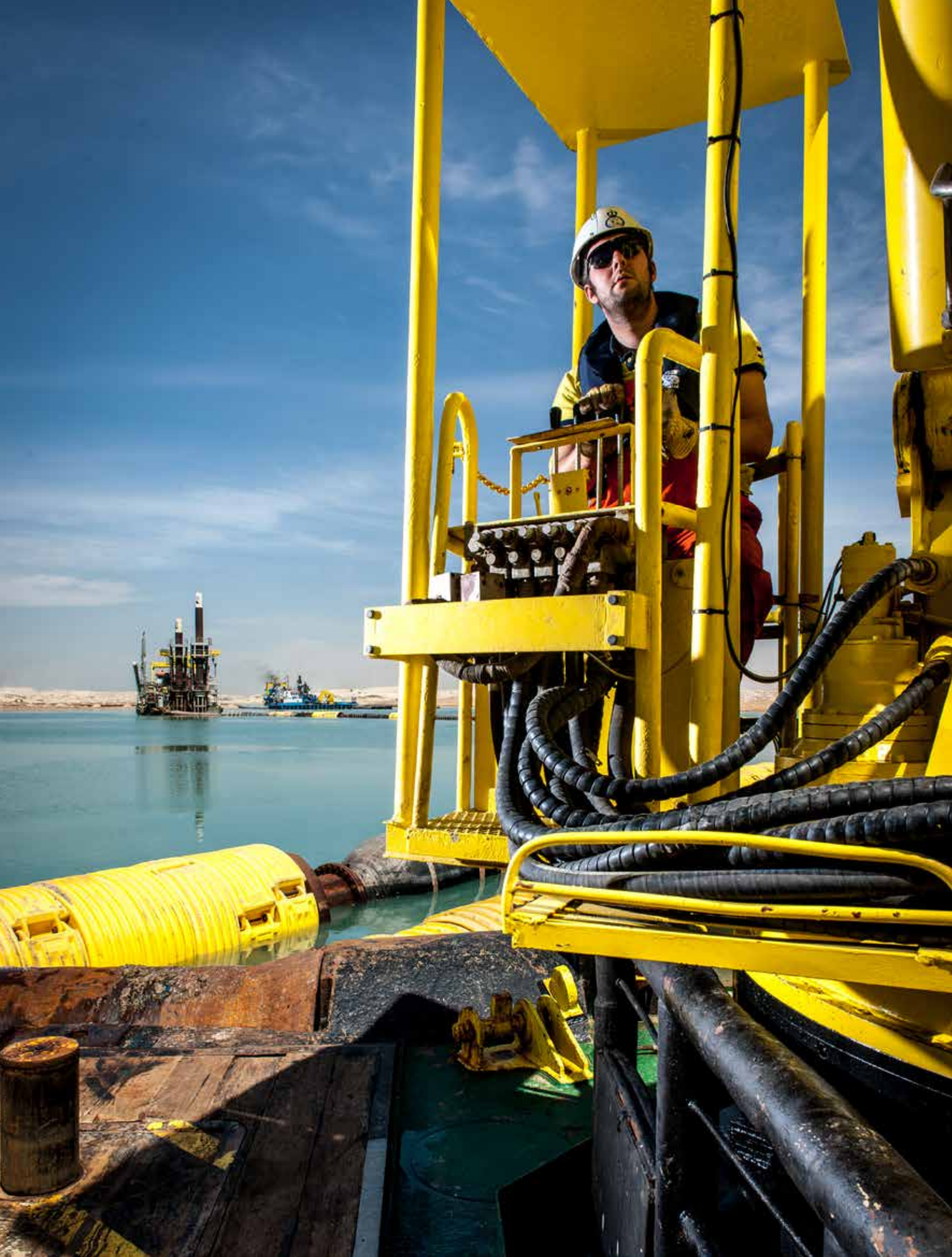
CO₂ emissions at Towage & Salvage equaled 61,000 tons (2014: 94,000 tons). The 33,000-ton decline was due to the transfer of ships to joint ventures in mid-2014 as part of the Towage strategy; for the first two quarters of 2014 these ships were still contributing to the Towage emissions figures. Adjusted for this effect, emissions were unchanged.

CO₂ (Metric Tons '000)



	FLEET		OFFICES		CO ₂ 2015* MT ('000)	CO ₂ 2014* MT ('000)
	FUEL HFO MT ('000)	FUEL MGO MT ('000)	ELECTRICITY KWh (million)	GAS Mj (million)		
Dredging & Inland Infra	80	129			663	574
Offshore Energy	168	84			793	934
Towage & Salvage	–	19			61	94
Offices			7	14	5	6
Total	248	232	–	–		
CO₂ MT ('000)	772	745	4	1	1,521	1,608

* For the method used to convert fuel to CO₂, see page 73 of this report.



USE OF NATURAL RESOURCES



A panoramic dune and a beach lagoon were created to protect the coastline of the province of Noord-Holland in the Netherlands.

The most important of our natural resources is sand. Sand is extracted from borrow areas, which clients can designate on an individual project basis. In addition, Boskalis has access to licensed sand borrow areas around the world. Our aim is to re-use as much of the sand as possible for land reclamation when deepening waterways and ports. Not all the sand that we wish to use for this purpose is suitable, but thanks to innovations and research we are now able to re-use sand and sediment that was previously unusable. The innovative building with silt on the Marker Wadden nature restoration project is a good example of this.

We also continue to search for ways of substituting sand with other materials. For example in 2015 we teamed up with HVC, the largest non-commercial waste collection company in the Netherlands, to start building the first large-scale soil-washing plant in the world for washing incinerator bottom ash, the residue left after the incineration of domestic waste in Waste-to-Energy plants. Over the past few years, successful pilots have allowed us to demonstrate that clean bottom ash can be used as land fill as a substitute building material for sand in, for example, road construction. The plant is expected to come on stream in the second half of 2016.

Although sand is a renewable rather than a finite resource, in some areas we are seeing its use increasingly restricted by legislation and regulations. Backed by scientific research from the Building with Nature program, we are able to advise our clients on making responsible choices when selecting sand borrow areas and sand extraction methods.

We also can advise our clients to opt for a combination of sand replenishment and planting mangroves for coastal protection, as is the case in Indonesia.

ACTIVITIES RELATED TO THE FLEET

Our new equipment complies with the most stringent requirements for energy consumption. Partly for commercial reasons, we make our equipment more sustainable where possible by means of:

- Use of cleaner fuels, such as biofuels. We launched a two-year biofuel pilot program in 2015. See pages 58-59 of this report.
- Energy-saving measures by making the installations we use on board our ships, such as cooling, ventilation, air-conditioning and lighting, as efficient as possible.
- Separate collection and processing of waste. We comply with the IMO MARPOL regulations, which prohibit waste being discharged overboard, barring specific exceptions. All our vessels over 400 Gt have a waste management plan.
- Recycling of worn-out floating dredging lines, impellers, dredging pumps and pick points, resulting in the recycling of 704,000 kilograms of material in 2015. More information can be found in the case studies on our corporate website.
- Mitigation of turbidity by using green valves on our trailing suction hopper dredgers. Boskalis has also developed a sensitive monitoring system that enables it to analyze turbidity caused by a dredging project at any given time, adapt the performance of the work accordingly and thus limit or prevent the ecological impact.
- Responsible treatment of ballast water.
- Preventative measures against oil spills.
- Raising environmental awareness among our crew. In 2015, we once again organized two Marine Environmental Awareness courses for our fleet personnel in collaboration with the NGO Prosea marine education Foundation. The course covers topics including marine ecology, responsible waste management, treatment of ballast water and emissions. Our aim is for all our captains and chief engineers to have taken the course by the end of 2016.

- Measures to limit the noise made by our equipment both above and under water and to reduce light pollution in vulnerable nature areas. We offer noise-reduction solutions for the installation of wind turbines and turbine foundations.
- The Ship Energy Efficiency Management Plan (SEEMP) on board our ships serves to promote awareness of efficient energy consumption among our crew.

SUSTAINABLE SHIPDISMANTLING POLICY

Boskalis is committed to dismantling the ships it decommissions in a safe and sustainable manner and is ahead of existing international legislation and regulations in this area. Prerequisites include additional stricter safety requirements, a hard surface on which to dismantle the vessel and the responsible disposal of the waste.

For each ship the possibilities for responsible dismantling locally are assessed and weighed against the (environmental) costs of transporting it over a long distance, for example to Europe for dismantling at a certified shipbreaking yard there. Where relevant, agreements are made with local yards in close consultation with the NGO Shipbreaking Platform to adapt business processes in such a way that they meet Boskalis' more stringent requirements. During the shipbreaking process knowledge is shared with the local yards to enable them to attract more demanding clients following the operation.

A good example of this approach involved the dismantling of three cutter suction dredgers at a yard in Mexico, as described in the case study on our corporate website.

We have been recognized repeatedly by the NGO Shipbreaking Platform as an industry leader in this field.

MILLENNIALS AND BUILDING WITH NATURE

The pool for talented, motivated employees for Boskalis is relatively small and there are many companies fishing from it. Boskalis' Building with Nature philosophy plays a significant role when choosing a new employer. Learning & development manager Mischa Strating-Veth, recruitment manager Ingrid Karelse and trainee Sarah Sangster explain why.

UNITING MEANING AND WORK

In her previous job Mischa headed a survey into millennials, the large generation of workers and potential and actual jobseekers born between 1980 and 2000. By 2025 around 75% of our work force are expected to consist of millennials. Mischa: "There are two things that are very important to millennials: awareness and meaning. Millennials are employees who have been raised on topics like the environment, health and safety – by their parents, but also at school. The result is a new generation of employees who have reservations about the consumer society and want to contribute to a sustainable society. A generation that maintains strong values and wants to see these represented at

their place of work. Linking your personal values to those of an employer is very important for this generation. In general it creates a good and lasting match."

POWER OF ECO-ENGINEERING

Mischa continues: "Many companies believe that it's important to communicate a CSR plan, but millennials don't need a CSR plan to convince them. They simply assume that a company will operate in a socially responsible way. Otherwise it will simply not even be a contender. So it's not about a company broadcasting that it conducts its business responsibly, but about demonstrating that it genuinely is responsible. And that is precisely where Boskalis can set itself apart and is also the power of our eco-engineering expertise. Building with Nature is a tangible innovation program, with projects that capture the imagination. Projects that deliver a personal contribution to a better world. Building with Nature allows us to give students and young professionals a real opportunity to unite meaning and work."



Ingrid adds: "We maintain close relationships with Delft University of Technology in the Netherlands and other educational institutions by sponsoring student projects, maintaining contacts with student associations and organizing company days. Moreover, many colleagues are directly involved in teaching and research at universities. That means that a program like Building with Nature does not go unnoticed, as is evident from the applications by recent graduates and young professionals who often mention eco-engineering as a reason for choosing Boskalis." A successful example of this is Sarah Sangster, one of our trainees, who won the Hydraulic Engineering Award on 10 November 2015. Mischa adds: "I also believe that Building with Nature is important for retaining our current employees for the long term. Because eco-engineering has a great attraction for every generation."

THE 'GREEN GATEWAY'

Sarah Sangster has been working as a trainee for Boskalis in Mexico since September 2015. Following an eight-month graduation project at Boskalis, in May 2014 she concluded her MSc in civil engineering at Delft University of Technology with her thesis *De Groene Poort in Rotterdam*. In November 2015 her thesis won the Hydraulic Engineering Award, a prize awarded each year to students studying hydraulic engineering or a related subject by the Dutch Association of Hydraulic Engineers.

Sarah's thesis explores ways of combining a port's economic objectives with a targeted approach aimed at enhancing biodiversity. One of her research topics involved looking at the distinctive role that ports and other delta regions play in marine life, particularly for migratory fish such as sturgeon and salmon. The conditions for fish in a port area can be improved through relatively simple measures. Sarah proposed building longitudinal dams to create still areas along the banks to provide shelter for fish. There are also ways of improving the fishes' food supply. "Fish eat small crabs and worms," explains Sarah. "Their presence in the port can be boosted by opting to use sandy material for revetments and using dredging spoils to create artificial flood plains. With the aid of the tidal flow this will allow new types of plants and animals to establish themselves, which in turn makes the port area more attractive to new bird species."

"Good ecosystems are crucial to the future of the world and therefore of the human race," says Sarah. "That is also one of the principles underlying the Building with Nature philosophy. Boskalis leads the field of eco-engineering, mainly due to the fact that it has a great deal of ecological knowledge as well as all the technical knowledge. For me that was an important reason to want to work for Boskalis."

CARE FOR HUMAN CAPITAL





48 INTRODUCTION

49 SAFETY

52 TALENT MANAGEMENT

54 LABOR PRACTICES

**55 SUSTAINABLE
EMPLOYABILITY**

56 DIVERSITY

INTRODUCTION

Around 170 Boskalis employees attended the final of the second Boskalis Innovation Challenge at the end of 2015. With more than 125 entries the first prize was awarded to a groundbreaking method for dismantling obsolete offshore oil and gas rigs.

Traditionally our industry is capital and knowledge intensive. To ensure we can count on sufficient talented and qualified employees, both now and in the future, Boskalis focuses on:

- Safety
- Talent management
- Labor practices
- Sustainable employability
- Diversity.



SAFETY

Safety is a license to operate for Boskalis and as one of our core values is given top priority in an environment and amid activities with a relatively high risk profile. Since its introduction, our central safety target *No Injuries No Accidents* (NINA) has been a unifying factor in creating a clear change in culture and resulting in safety becoming one of our intrinsic values.

Clients increasingly see our NINA safety program as best practice, with our project partners also expected to participate in our interactive training courses.

NINA holds people personally responsible for their own safety and creates an environment in which safety can be discussed openly. The NINA standards and values make it clear what we stand for, which in turn fosters pride. This means that NINA is not just about procedures, it promotes ownership and creates a

safety-driven mindset. Five short and clearly worded values with five supporting rules provide the framework and help prevent incidents as much as possible.

Since the launch of NINA in 2010, Lost Time Injury Frequency (LTIF) has fallen significantly. The number of incidents per 200,000 hours worked resulting in absence from work has dropped considerably from 0.67 in 2010 to 0.08 in 2015 (2014: 0.09). This decline was achieved despite our company's strong growth. A detailed summary is included in the appendix.

In order to further improve our safety performance, we will tighten up our management in the coming years and focus on the Medical Treatment Cases and Restricted Work Cases as well. By aiming for a reduction in all three categories (known as Total Recordable Injury Rate) we expect to achieve a further decline in the number of incidents resulting in injury.

Management and employees are involved in our organization's safety thinking in all kinds of different ways. The Works Council has a Safety, Health, Wellbeing and Environment committee with NINA as a fixed agenda item. Our interactive NINA training courses and workshops give employees the chance to provide 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 attention is also focused on the project environment and how we can guarantee the safety of local residents. These meetings are attended not only by our own employees but in many cases also by the client's representatives and subcontractors. In addition, we have developed 'workboxes' that take a closer look at the occurrence of specific accidents or incidents. The *Hands* workbook, launched in 2015, is aimed at avoiding injuries to hands and involves practical workshops for employees on projects and ships.

NINA VALUES AND 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

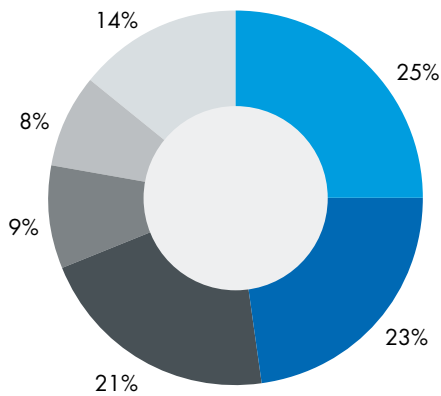


DEVELOPMENTS IN 2015

The introduction of NINA at the Offshore Energy division in 2014, following an extensive culture survey and program, was followed

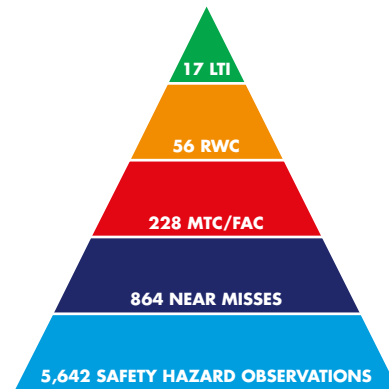
by the launch of an intensive training program in 2015. A training program was also rolled out at Salvage and for former MNO Vervat employees at Boskalis Nederland, thus achieving the objective of introducing NINA across the organization in 2015.

INCIDENTS 2015



- Falling, slipping, tripping
- Struck by/against an object
- Caught between/in/on
- Overstress, overpressure
- Contact with (heat, dust, etc.)
- Other

INCIDENT REPORTS 2015



- LTI = Lost Time Injury
- RWC = Restricted Workday Case
- MTC = Medical Treatment Case
- FAC = First Aid Case



In 2015 we developed a method for the in-depth investigation of incidents. Analyzing the causes will help prevent repetition. We have analyzed the top five most common incidents in 2015. The results are in line with our industry, with tripping, falling and slipping remaining top of the list. The number of entrapments incidents is also relatively high, particularly with regard to hands and fingers. Here, again, we have seen a decline in both the frequency of incidents and their impact after the introduction of NINA – in other words there are fewer serious accidents resulting in injury, serious or otherwise.

The number of incidents reported using Safety Hazard Observation Cards (SHOCs) increased in the last years. The number of SHOC reports in 2015 was 5,642, in addition to which 864 near misses were reported. We view SHOC and near misses reports as a benchmark for the proactive safety culture within the organization. NINA encourages reporting of such situations, allowing us to make proactive adjustments. The pyramid chart shows the number of incidents reported, starting with the SHOCs and ending with Lost Time Injuries (LTIs).

SAFETY AWARDS

In 2105, Boskalis received a range of safety awards, including:

- Certificate of Achievement from Hyundai for five million hours worked without accidents on the New Port project in Qatar.
- Quality Award Gold from Hyundai for the second quarter on the New Port project in Qatar.
- Assessment Certificate with a safety score of 9.0 awarded by First Point Assessment.
- Best Subcontractor Award given by the National Petroleum Construction Company on the HSE & Business Excellence Annual Event 2015.

AUDITS

In 2015, we conducted 23 external and 23 corporate SHE-Q audits of projects and office organizations and 29 external and 65 internal ISM vessel audits, with NINA being a constant feature. In addition, clients also performed office and project audits at the business units.

TALENT MANAGEMENT

Boskalis aims for a balanced composition of its staff. We need a good balance between entrepreneurial 'thinkers and do'ers' and a steady supply of talented and qualified employees at all times. That means that attracting, developing and retaining talent is a top priority for our company.

Boskalis has various ways of retaining employees and holding their interest. In addition to an open business culture that enables employees to develop their talents as well as providing scope for innovation and entrepreneurship in many areas, staff are given plenty of opportunities for personal development during their career. The growth of the company and the new divisional structure present a wealth of career perspectives for our employees, providing opportunities for transferring to another division in addition to the development of opportunities within the division.

We maintain close relationships with various national and international maritime training and other educational institutions with the aim of attracting potential employees to our industry. In the Netherlands we give guest lectures, offer internships and develop specific courses. As a member of the Dutch Association of Hydraulic Engineers we are involved in the PhD course in coastal and hydraulic works. We also maintain regular contact with international maritime colleges, including those in the Baltic states, Russia and the Philippines.

TRAINING AND DEVELOPMENT

Boskalis offers talent opportunities for further development at three different levels.

TRAINEE PROGRAMS FOR YOUNG TALENT

As a leading international company that undertakes high-profile projects we hold a great attraction for young people.

We offer a trainee program for graduates with a technical or financial/economic background who are further trained at our company under the supervision of a mentor. They are introduced to a wide range of our business activities and follow training modules to increase their knowledge and develop their personal skills. With 500 applications of new graduates in 2015 Boskalis is clearly an attractive employer on the labor market. Of these between 20 and 25 trainees were selected. They are currently gaining experience on various projects in different teams within the divisions during three six-month periods.

YOUNG PROFESSIONAL PROGRAMS

In order to expand our knowledge and expertise, we attract experienced young professionals. In addition, we invest in developing the competencies of our own young professionals, for example in the areas of planning, calculation, risk management and contract management. Our training portfolio is constantly developing so that we can continue to meet the needs in the market. In 2015 we again selected nine young professionals for the Boskalis Offshore Professional Program, which involves imparting knowledge specific to the offshore sector in modules based on actual Boskalis cases.

In addition, a group of six cost engineers are following a two-year post-graduate degree in their field, with this program also combining the learning experience with working practice. Boskalis also launched an ICT Young Professional program, aimed at implementing change processes. Six employees are taking part in this program with the objective of further professionalizing the ICT department and enabling it to expand in order to accommodate the wishes and needs of the growing organization.

MANAGEMENT DEVELOPMENT PROGRAMS

Leadership and personal development is a constant point of attention within the organization. Developing personal leadership, building an internal network and encouraging innovation and entrepreneurship are important core values in our management development programs. In 2015 22 employees participated in the Boskalis Staff Development Program. The target group consisted of experienced staff department professionals of various nationalities. The objectives of the program were:

- developing as a 'Business Partner' within Boskalis;
- understanding and enhancing personal qualities and development;
- increasing personal influence and effectiveness with regard to stakeholder management;
- increasing synergies with other disciplines and internal and external clients;
- learning to influence without power.

Other management development programs include the Boskalis Operational Development Program, aimed at project workers and managers of all divisions, and the Boskalis Leadership Development Program, aimed at senior managers. For our fleet we have the Boskalis Maritime Development Program for captains and chief engineers, and for talented first officers there is the Boskalis Maritime Leadership Course.

A complete overview of courses and training programs can be found in the special Boskalis training guide, which is widely available.

KNOWLEDGE SHARING

In addition to courses and training programs we regard the mutual exchange of knowledge as an important path for development. Boskalis offers various initiatives that promote knowledge sharing, for example the Meet the Expert sessions, where specific topics are discussed in detail for and by Boskalis staff, and the annual Boskalis Innovation Challenge (see page 48 of this report and page 46 of the 2015 Annual Report).

COMPETENCE AND PERFORMANCE MANAGEMENT

We track the competence development of our employees using a new competence management model developed in 2014 and 2015. We use the competence profile to determine actions for the further development of the employees' knowledge and skills. This means that we always have an accurate picture of where the competences are adequate and where gaps still remain, as well as a good grasp of whether the competence development is in line with our strategy. Points for development identified during performance reviews are fed back to the employee in question and logged in the system. The majority of our employees are given an annual or semi-annual competence or performance review, with a frequency of at least once every two years for the remaining employees. The performance management process was revised in 2015 and will be supported by an online module in 2016.

LABOR PRACTICES

We endorse the guidelines of the International Labour Organization (ILO). Of our employees 38% are covered by a Collective Labour Agreement, including most of our maritime and project workers. Corporate and operational staff are covered by separate agreements reached in consultation with the employee representation. Boskalis engages in close and structural consultation with the employee representation regarding topical subjects relevant to our employees, in accordance with the laws of the countries where we are based. The dialog with the Works Council was once again open and constructive in 2015. As an important stakeholder group the Works Council was closely involved in preparing the materiality analysis that resulted in the fine-tuning of our CSR agenda.

CONTRACT TYPE AND STAFF TURNOVER

Of our employees 75% have a permanent appointment (2014: 71%). Most of these permanent employees have been with us for many years and staff turnover is low at 8.28% (2014: 9.19%). Turnover within the Dutch organizations was even lower at 4.83% (2014: 5.65%). For projects our core of staff is supplemented by employees drawn from a flexible shell. Depending on the project requirements these employees are hired locally where possible and/or appointed on a temporary contract, which in many cases ends at the conclusion of the project. In 2015 we were able to

welcome 1,454 new employees (2014: 1,666) while 2,072 employees left Boskalis. Of these 2,072 employees 1,187 were from the flexible shell and 226 left Boskalis as a result of divestments.

PENSION SCHEMES

We operate various pension schemes, detailed information on which can be found in the summary of 'Defined benefit pension schemes' on pages 100-105 of our 2015 Annual Report.

PREVENTION OF OCCUPATIONAL AND OTHER DISEASES

In some of the regions where we operate, there is a risk of becoming infected with diseases such as malaria and Ebola. To mitigate the risk to our employees, we have a long standing policy of providing vaccinations and (regular) medical check-ups as well as prevention programs. In addition, in 2003 we established an Emergency Response Team (ERT) to enable a rapid response in the event of a health crisis. The team comprises employees from our SHE-Q and HR departments and doctors from the Travel Clinic of the Havenziekenhuis hospital in Rotterdam, the Netherlands. There was no need to call on the services of the ERT in 2015.



SUSTAINABLE EMPLOYABILITY

We have explored with the Works Council and the trade unions how to keep employees healthy, safe and motivated through to their retirement. The various training programs we offer as an employer include the module Fit for Boskalis, which aims to provide employees with information on a healthy lifestyle and encourage them to put these into practice. Because lifestyle involves more than just physical fitness, in 2015 attention was also paid to mental health and for the first time we offered a course on effectiveness and mindfulness at work.

Furthermore, we give our employees ample opportunities to shape their own career. This is a fixed item in performance reviews, in which employees can say whether they would like to retrain, for example for a different, less physically demanding job. We are open to this approach and offer our staff ample development opportunities. In addition, we try to accommodate them as much as possible in the various life phases, for example enabling them to work on projects in the Netherlands for a number of years if that is more appropriate to their phase in life.



Measuring water quality during the execution of a project.

DIVERSITY

In an international project environment such as ours, which requires a flexible, broad and innovative approach, we take a broad view on diversity.

Boskalis' employees represent 69 different nationalities with a balanced age profile. Almost 70% of our employees are under 50, with over half (55%) being in the 30-50 age category. This age distribution provides a good level of staffing for positions at junior, medior and senior levels, as well as resulting in a manageable outflow of staff due to retirement.

We employ a relatively large number of men and relatively few parttime staff. The ratios of men to women and of fulltime to parttime 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, often in remote locations. Deployment to projects has proved to be a less attractive option for women and a less obvious choice for parttime workers.

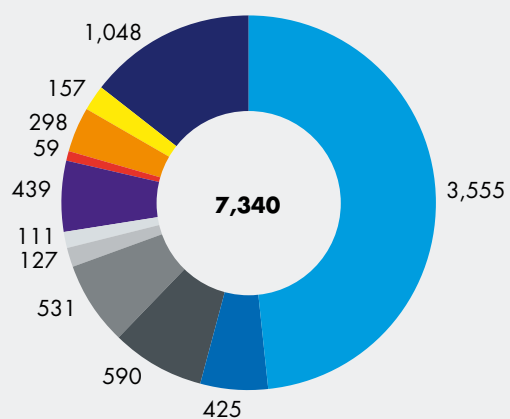
The ratio of men to women in 2015 was 89%-11% (2014: 90%-10%). The participation rate for women is higher for activities at fixed offices and of a structural nature. In 2015 the ratio of men to women remained stable at 69%-31% for management and office staff working at the Boskalis head office. The percentage of parttime workers in 2015 was 6% (2014: 5%).

As in previous years the ratio of operational staff (fleet, yards and projects) to management and office support staff remained stable at 71%-29%. This ratio is consistent with the profile of the company and the nature of the activities and the equipment deployed. Proportionately the most managers and support staff work at the head office in the Netherlands.

Boskalis operates a strict equal opportunities policy for all employees, regardless of race, nationality, ethnic background, age, religion, gender, sexual orientation or disability.

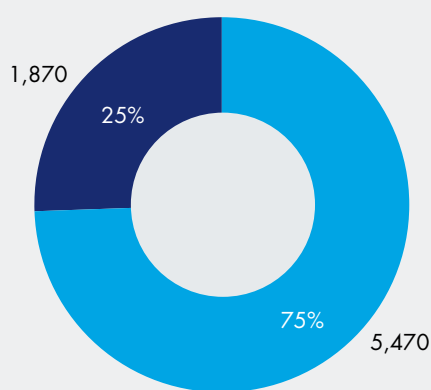
The charts on page 57 do not include the employees of Anglo Eastern, crew of the Dockwise vessels, given that they are not formally employed by an entity belonging to the Boskalis group. For further information please refer to pages 76-77 of this report.

NUMBER OF EMPLOYEES BY COUNTRY



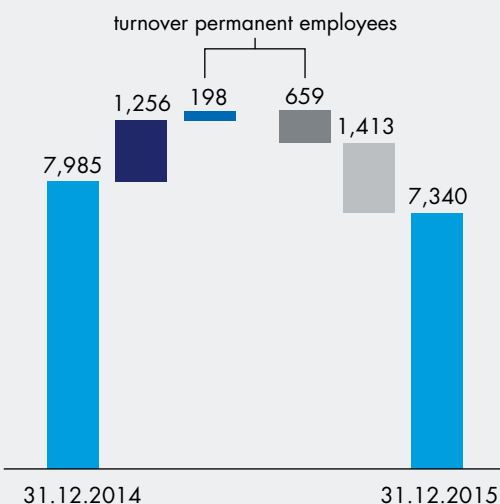
- The Netherlands
- Singapore
- Belgium
- South-Africa
- UAE
- Nigeria
- Philippines
- Brazil
- The United Kingdom
- Mexico
- Other

TYPE OF EMPLOYMENT CONTRACT



- Permanent appointment
- Temporary appointment

IN- AND OUTFLOW

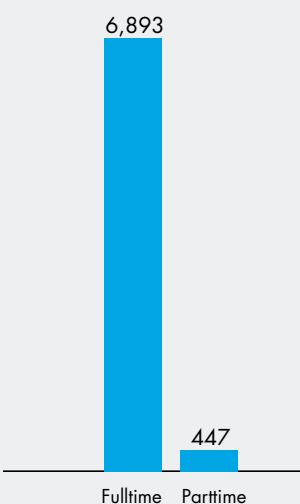


- Inflow flexible shell
- Inflow permanent employees
- Outflow permanent employees
- Outflow flexible shell

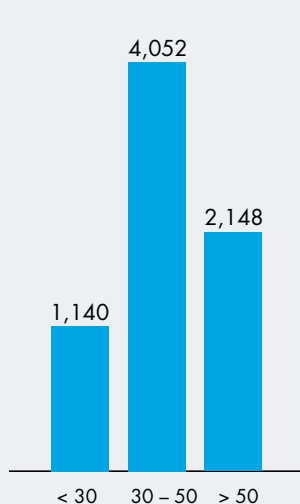
MEN/WOMEN RATIO



FULLTIME/PARTTIME RATIO



AGE PROFILE



JOB CATEGORIES MEN/WOMEN IN 2015 (IN %)

JOB CATEGORIES RATIO

- Management (2%)**
- Office staff (27%)**
- Project staff (19%)**
- Crew/yard staff (51%)**

MEN/WOMEN RATIO



- Men
- Women

BOSKALIS LAUNCHES BIOFUEL PILOT PROGRAM

In 2015 Boskalis, along with consortium partners GoodFuels Marine of the Netherlands and Finnish engine manufacturer Wärtsilä, launched a two-year biofuel pilot program aimed at accelerating the scalable development of sustainable, reliable and affordable drop-in biofuels for the maritime sector, which could result in significant emissions reductions.



Biofuels are currently not part of the marine fuel mix that shipping companies and ship owners can choose from. This means that the maritime sector is missing out on an opportunity to utilize what could be an easy-to-use and truly sustainable fuel.

SUSTAINABLE INNOVATION

With a fleet of around 1,000 units Boskalis is constantly on the lookout for ways to reduce emissions and innovate in terms of sustainability. Theo Baartmans, member of the Board of Management and chairman of the Energy Management Taskforce: "We are strongly committed to developing business models based around sustainability. If our business objectives go hand-in-hand with sustainability and things such as technical feasibility and scalability are also in order, there is a huge potential for broad acceptance of this biofuel initiative. It will result in really significant reductions in emissions."

GoodFuels Marine is part of GoodNRG, a Dutch company that produces sustainable biofuels for the aviation and other sectors. At the launch of the pilot CEO Dirk Kronemeijer emphasized that his company focuses exclusively on the production of 'second-

generation' biofuels. "While our drop-in biofuels consist partly of waste products and reusable industrial oil, one of the most important components is lignin, which is found in so-called lignocellulosic crops. Lignin is the wood polymer that provides structural support to plant tissues. Lignin is a by-product of many industrial processes, for example the production of cellulose from wood, and is therefore available in large quantities for use as an energy source."

GoodFuels Marine has installed a Sustainability Advisory Board consisting of leading NGOs and academics to ensure that its products are 100% sustainable and comply with the leading standards and principles of the Roundtable on Sustainable Biomaterials (RSB).

BENEFITS

Joost Rijnsdorp, general manager of Procurement & Logistics at Boskalis, stresses the importance of the pilot program. "The initiative came out of the Meet the Buyer sessions organized by Boskalis. We look at blending diesel with biofuels up to a ratio of 30% or even 70%. Of course we also keep LNG in mind as



an alternative fuel, but there are both operational and financial considerations that make drop-in biofuels attractive. From a financial point of view, the advantage is that the drop-in biofuels require no expensive modifications to the ships. Converting existing vessels to LNG is very costly and therefore unattractive at this time. Boskalis operates globally and our ships do not have fixed, regular ports of call. They are often deployed for relatively long periods to remote locations with limited infrastructure. The current LNG bunker network is not able to guarantee worldwide supply. A drop-in biofuel gives us the flexibility to bunker this fuel when it is available. When there are no alternatives, we can fall back on 100% fossil fuel.”

GOVERNMENT SUPPORT

The pilot project enjoys the enthusiastic support of the Dutch government. Els de Wit, head of Clean Fuels at the Dutch Ministry of Infrastructure and the Environment: “The Netherlands is committed to cutting emissions of hazardous substances by 60% in the years to come. In the longer term the European Union will impose even tighter requirements. Maritime transport is an important pillar of our economy and shipping is almost completely

dependent on fossil fuels. If this doesn’t change, we will be unable to meet our targets. Biofuel can play an important part in reducing emissions and improving air quality. In order to set the right example the Dutch government has also started a pilot involving these biofuels on ships belonging to the state-owned *Rijksrederij* fleet.”

Testing of the various new biofuels at the Wärtsilä laboratory in Finland was completed in late 2015. In 2016 endurance testing will start on one Boskalis vessel in order to validate the long-term performance and possible impact on the diesel engine, lubricant and fuel feed system, after which the fuel will undergo further testing on several Boskalis ships.

The consortium also focuses on the analysis and supply of a sustainable feedstock, securing industry certification and making the necessary preparations for large-scale production. In order to create a global platform the consortium will also initiate an international scalability study involving leading ship owners, universities, NGOs, ports, biofuel companies and other industry stakeholders.

RESPONSIBLE BUSINESS CONDUCT



The salvage of the Baltic Ace car carrier involved cutting the vessel into eight sections. The sections were recycled by a local dismantling yard.



62 INTRODUCTION

63 GENERAL BUSINESS PRINCIPLES

66 SUPPLY CHAIN MANAGEMENT

69 CORPORATE GOVERNANCE

INTRODUCTION

Integrity, reliability and responsibility are material elements for building trust between Boskalis and its stakeholders. This intrinsic value is reinforced by establishing responsible business conduct guidelines and principles, and maintaining these between employees, suppliers and clients.

In the context of changing circumstances in both the market and society and within Boskalis, considered decisions are taken as to what this information should consist of. Boskalis focuses mainly on:

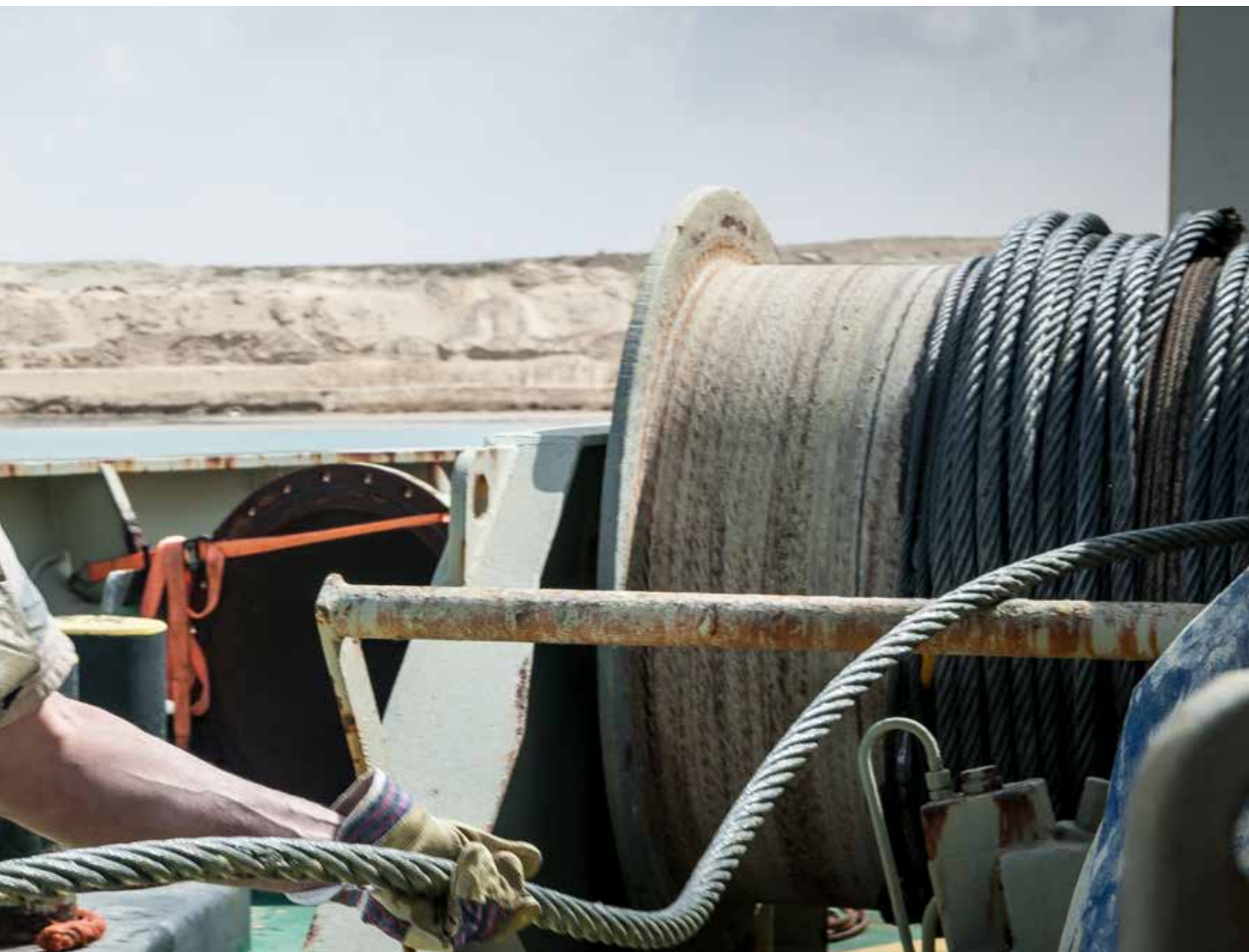
- General business principles
- Supply chain management
- Corporate Governance.



GENERAL BUSINESS PRINCIPLES

Boskalis has a Statement of General Business Principles, which is based on international guidelines, including the Universal Declaration of Human Rights. We endorse the principles of the International Labour Organization, the UN Global Compact and the OECD Guidelines for Multinational Enterprises. Boskalis accepts responsibility for matters which lie within its sphere of influence. In the countries where Boskalis operates, we are subject to national legislation and regulations. Boskalis refrains from cultural judgments and acts as a good citizen or guest. We do not do business in countries subject to international and relevant national sanctions.

Boskalis reviews its general business principles at least once every two years, most recently at the beginning of 2016. The full text of our Statement of General Business Principles can be downloaded from the corporate website.





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. Our staff are provided with targeted information and are monitored in regard to regulations and legislation concerning bribery and corruption.

WHISTLEBLOWER POLICY

Boskalis has a whistleblower policy in place that applies to employees reporting alleged irregularities within the company. These include any topic of a general, financial, operational or personal nature that is not in line with our Statement of General Business Principles. The whistleblower policy was reviewed at the beginning of 2016 and can be found on the corporate website.

AGENT CONTRACTS

In many countries where Boskalis operates it is impossible to conduct business without a local partner or sponsor. The guidelines for collaborating with such a partner are set out in a contract. Agent contracts are monitored as part of the internal audits. The external auditor includes the contracts in the audit of the financial statements.



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% tax on average over the last five years in more than 50 tax jurisdictions, including more than 30 (according to the OECD) 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.

SUPPLY CHAIN MANAGEMENT

SUPPLIER CODE OF CONDUCT

Boskalis maintains relationships with around 1,375 suppliers for the central procurement of machinery and hydraulics, electro & survey equipment, wearing and construction parts, and facility goods and consumables. Around 260 of these are regarded as strategic suppliers who account for some 90% of the Corporate Procurement department's purchasing volume.

Over half of the 1,375 suppliers are Dutch companies, 15% are established in other European countries and 30% are based outside Europe. Responsibility for the procurement policy and the selection of suppliers rests with the general manager for Procurement & Logistics, who reports to Group Management.

Boskalis wants to do business with parties who act responsibly and with integrity. We aim to establish long-term relationships. All our 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, mirrored on our own Statement of General Business Principles. The Supplier Code of Conduct contains selection criteria in the areas of sustainable procurement including prevention of bribery and corruption, social aspects (including human rights), care for the environment, child labor, working conditions and safety, employees, quality, and conduct towards clients and suppliers.

In 2015 we were able to declare our Supplier Code of Conduct applicable to 68% of our strategic suppliers, based on monetary procurement value. These suppliers have signed our framework contract of which the Code of Conduct forms an integral part. This percentage can fluctuate from year to year. The decline compared to 2014 (75%) is a temporary effect caused by variations in purchasing patterns, plus sharp price falls for heavily weighted product groups such as fuels. By signing the contract our suppliers declare that the Code of Conduct is also applicable to their own suppliers, who are registered accordingly in Boskalis' systems. The Supplier Code of Conduct and our General Purchasing Terms and Conditions can be downloaded from our corporate website.

IMPLEMENTATION SCAN

Each year an implementation scan is conducted with approximately 10% of our strategic suppliers. This equates to around 20 companies representing a cross-section of our strategic suppliers. An independent external consultant assesses to what extent these suppliers have adopted the Code of Conduct criteria in their own CSR policy. This is done using the Social Responsible Procurement monitoring method of the Chartered Institute of Purchasing and Supply. The procedure comprises:

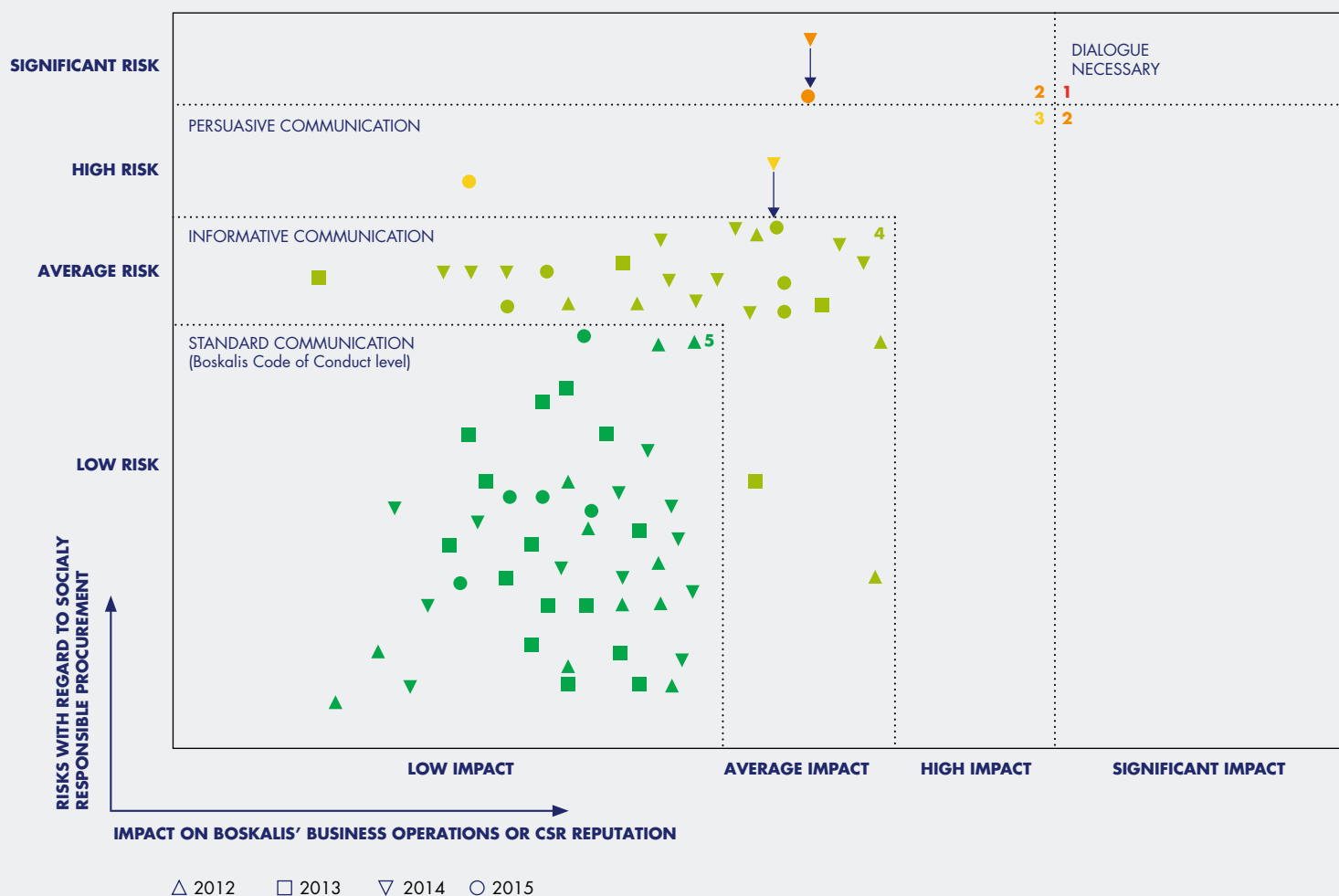
- A fixed questionnaire, compiled in conjunction with the external consultant. Questions are subdivided into the topics covered by the Code of Conduct.
- An onsite implementation scan. These company visits are conducted by the external consultant along with one of our senior procurement staff. This is a two-way process: we are open to feedback from our suppliers, which allows us to learn from them. The aim is to work together to create and develop a sustainable value chain. Our suppliers take a positive view of this approach.
- A risk matrix is used to show the level of risk that applies to the various suppliers in terms of CSR and to what extent this might impact Boskalis' business operations or reputation. We will terminate a relationship with suppliers who are in the segment indicating a significant risk and a significant impact. Suppliers in the segment indicating a high risk and impact are given the chance to improve under our supervision. In the absence of sufficient progress we will also terminate the relationship with these suppliers. The dialog with the other suppliers is structured according to the matrix on page 67.

The implementation scans were first performed in 2012. Over three years the scan was conducted at 60 unique suppliers, based in 10 European countries and in North Africa. In 2015 we primarily visited suppliers outside Europe. This proved considerably more time-consuming than in previous years and as a result in the year under review we visited 10 suppliers around the globe, including Southeast Asia (5), the United States and the Middle East. In 2015 we increased the number of visits paid to second-line suppliers – suppliers who act as subcontractors for our strategic suppliers. For example, we visited a clothing manufacturer in China. The scans covered the following topics: prevention of bribery and corruption, social aspects (including human rights), care for the environment, child labor, working conditions and safety, employees, quality, and conduct towards clients and suppliers. In 2015 we also visited two

suppliers in Europe who had achieved a sub-standard score in 2014 and had been rated as having 'a significant risk with an average impact' and 'a high risk with an average impact', respectively. We started a dialogue with these two companies in 2015 which led to the desired result. Both suppliers showed improvement and we will continue the dialog with them. A supplier visited for the first time in 2015, who was found to

be in the 'high risk with an average impact' category, will be supported with persuasive communication. Monitoring for compliance with the Code of Conduct by other suppliers where no implementation scan is carried out is done by means of operational observation by our buyers, who have the appropriate training.

CSR IMPLEMENTATION SCAN 2012-2015: 70 SUPPLIERS, SCORED BY YEAR



△ 2012 □ 2013 ▽ 2014 ○ 2015

Standard communication: such as sending and signing of the Supplier Code of Conduct
Informative communication: explaining the reasons behind the Boskalis CSR policy to enable an organization to adopt this internally
Persuasive communication: focused on convincing the supplier to take measures in the area of CSR
Dialogue necessary: constant coordination and continuous dialog with the supplier with regard to CSR



MEET THE BUYER SESSIONS

In 2011 we began with three Meet the Buyer sessions with 15 of our strategic suppliers. The sessions create mutual awareness and understanding and further increase the sustainability of our supply chain through the exchange of ideas and the pooling of innovations. A number of initiatives have been developed successfully (see page 26 of our CSR Report 2014).

In late 2014 we once again organized three Meet the Buyer sessions, with 18 suppliers invited to exchange ideas on the topics of energy reduction, alternative fuels and human rights in the supply chain. These sessions resulted in the statement of the ambition to take the next three years to work with our chain partners on a number of initiatives to further increase the sustainability of the chain. In 2015 we specifically followed up on two initiatives:

- ultrafine filtration oil-cleaning system by Lubrafil;
- sustainable drop-in biofuel by GoodFuels Marine.

With regard to the ultrafine filtration oil-cleaning system Lubrafil has developed a patented process to filter (biodegradable) hydraulic fluid to 0.1 micron. Under normal circumstances oil attracts moisture which becomes polluted as a result of wear and tear in the system, meaning that the oil has to be replaced more frequently. The new system will considerably extend the lifespan, implying that less oil will be needed and therefore more sparing use of this resource. A pilot project will commence in early 2016, involving thorough testing of the system aboard one of our vessels.

A more detailed account of the development of a drop-in marine biofuel can be found in our theme article on pages 58-59.

A SINGLE QUALITY STANDARD FOR PROCUREMENT FOR THE DUTCH MARITIME SECTOR

Parties in the maritime sector tend to have their own ways of practicing responsible procurement. The production value in the Dutch sector in 2013 was almost EUR 50 billion, with many products and services imported, also for example from emerging markets. The export value is EUR 21 billion. This means that making the Dutch maritime supply chain more sustainable will have a global impact.

In the spring of 2015, Boskalis launched an initiative in conjunction with the Maritime Cluster of MVO Nederland (CSR Netherlands) aimed at creating a sustainable procurement approach with a single quality standard and/or code of conduct for the Dutch maritime sector. This will create clarity for all parties in terms of expectations with regard to sustainability and process implementation. This will result in cost savings, give small and medium-sized companies access to sustainable methodology, and act as a concrete driver for more sustainable products, services and processes for maritime suppliers around the world. The project involves renown parties from across the maritime sector: shipbuilders, contractors and subcontractors, shipping companies, installers and yards working on behalf of the maritime and offshore industries as well as end customers (such as transshipment companies).

CORPORATE GOVERNANCE

Boskalis operates a two-tier board model, which means that management and supervision are segregated. The Board of Management is responsible for the day-to-day management of the business, and for setting out and realizing the company's long-term strategy along with the associated risks, the (financial) results and entrepreneurial aspects relevant to the business. The Supervisory Board is responsible for supervising management performance and also provides the Board of Management with advice. At Boskalis there is close collaboration between the Supervisory Board and its committees, as well as the Board of Management to ensure that the interests of all our stakeholders are taken into account.

Providing our clients with the most sustainable solutions possible is part of the corporate strategy. The remuneration policy and remuneration elements are directly derived from the Boskalis strategic agenda, incorporating not just financial-economic objectives but also CSR objectives such as safety and talent management. The 2015 Remuneration Report states clearly that these CSR aspects are part of the long-term corporate objectives.

The external auditor is involved in determining the remuneration and is responsible for seeing to it that the relevant procedures are followed correctly. Please refer to our corporate website for the Remuneration Report.

The Board of Management is responsible for the company's CSR policy and is supported in this role by the following task forces and officials. In terms of environmental performance these are the Energy Management Task Force and the Eco-Engineering Task Force. Furthermore, safety is given top priority within our company. The Board of Management is closely involved in this topic, on which it seeks advice and information from the SHE-Q department. With regard to the HR and society-related objectives support is provided by the HR director and the director of IR & Corporate Communications, respectively. The Board of Management seeks advice on chain-related matters from the heads of the business units and relevant staff departments.

The CSR Report is reviewed by the Board of Management of Boskalis and its contents are discussed in their entirety with the Supervisory Board.

For the reports of the Supervisory Board and the Board of Management and an overview of our corporate risk management, corporate governance policy and our organization – including the composition of the Supervisory Board and the Board of Management – please refer to pages 22-27, 32-61, 142-144 of our 2015 Annual Report and our corporate website.

APPENDIX





72 ABOUT THIS REPORT

74 GRI TABLE

76 HR DATA

78 SHE-Q DATA

80 VERIFICATION STATEMENT

82 GLOSSARY

ABOUT THIS REPORT

PURPOSE AND PROCESS OF THE REPORT

We started publishing an annual Corporate Social Responsibility (CSR) report in 2009. In this report we provide an account of our CSR policy for all our stakeholders. In 2015 we conducted a materiality analysis, incorporating input from our most important stakeholders. The analysis provided a clear picture of which key and sub-topics are of material importance to ourselves and our stakeholders and enabled us to create focus in our CSR strategy. We have fine-tuned our CSR reporting accordingly, structuring it around the material (sub-)topics.

The CSR report is compiled by a multidisciplinary CSR team under the responsibility of the Board of Management. The consolidation takes place at successive levels, starting with the projects and local office organizations, moving up through the relevant business units and staff departments and ending with the consolidated group reports. This is based on quarterly reporting, which is conducted in accordance with our CSR Reporting Manual and is monitored by our Group Accounting & Reporting department. In addition, a number of internal audits were conducted in 2015.

The report has been reviewed by the Boskalis Board of Management and its contents have been discussed in their entirety with the Supervisory Board.

HYBRID REPORT

We report in accordance with the international guidelines set out in the Global Reporting Initiative (GRI) and are making preparations for reporting in accordance with the GRI G4 guidelines. The 2015 report is a hybrid, partially following the GRI G4 guidelines with reporting based on the materiality analysis and the material key and sub-topics arising from it. The key performance indicators (KPIs) in this report are reported in accordance with GRI version G3.1 (see the GRI table on pages 74-75) and have been verified by an independent party.

SCOPE AND DELIMITATION

This report pertains to Boskalis, including the activities of subsidiaries in which Boskalis owns a majority stake. Joint ventures, associated companies and other business over which the group has no control are not included in the CSR data. No material divestments or acquisitions took place in 2015.

We provide partial reporting on the following GRI G3.1 KPIs, thereby focusing on the sections that are of material importance to us:

- LA2 – we report staff turnover in terms of age for inflow and in terms of age and reason for outflow.
- LA7 – we report on injury days, absenteeism and the number of work-related fatalities.
- LA10 – we report on the average number of training hours per category of employee.
- LA13 – we report on the composition of our Supervisory Board and Board of Management according to gender, age group and nationality.
- SO1 – Material permanent operations outside the Netherlands are limited. Most of the activities are project based and therefore temporary in nature, frequently lasting for less than a year. We provide qualitative reporting on the community activities for these operations.

Due to the permanent presence of SMIT Amandla Marine (SAM) in South Africa and the ongoing nature of their Socio-Economic Development program, we do provide quantitative reporting on the community initiatives undertaken by them. The SAM operation accounts for 7% of our workforce.

METHODS OF ESTIMATION, MEASUREMENT AND CALCULATION

We use generally accepted protocols to compile, measure and present information, including the GRI technical protocols for indicators comprised in the guidelines.



HR DATA

The employees of Anglo Eastern, crew of the Dockwise vessels, are included in the overall reporting in view of this group's substantial size. However, these employees are not formally employed by an entity belonging to Boskalis and are not included in the detailed reporting. The 2014 figures have been adjusted accordingly for comparison purposes.

CO₂ DATA

ISO and ISM norms are used for the conversion of fuel to CO₂. For the conversion of volume to weight, ISO specification 8217:2012 is followed. The MGO/MDO density factor of 0.845 kg/l was calculated by Boskalis in 2010. It was based on the weighted average mix of diesel fuel in that year with density factors ranging from 0.820 to 0.890.

In 2015 we reevaluated the MGO/MDO conversion factor. As per 2015, Boskalis will not apply a weighted average, but will apply the most stringent MGO/MDO density factor of 0.890 kg/l. For comparison purposes the 2014-data has been re-stated accordingly.

The following ISO and ISM standards are used for the conversion of fuel to CO₂:

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

SAFETY DATA

LTIF (Lost Time Injury Frequency) expresses the number of workplace accidents resulting in absence from work per 200,000 hours worked. The LTIF overview on page 79 shows a breakdown for the various business units.

In addition to LTIF, the 2015 report also provides the Total Recordable Injury Rate (TRIR). TRIR is composed of LTIs, Medical Treatment Cases and Restricted Work Cases. By aiming for a reduction in all three categories, we will have a better chance of achieving a further decline in the number of incidents resulting in injury.

In 2015 no other changes were made to definitions and measurement methods of the reported data compared to the 2014 reporting period.

BENCHMARKS

The performance of our organization can be measured against relevant benchmarks. For more information, please refer to page 19.

ASSURANCE

All KPIs in this report have been verified with limited assurance by an independent party in accordance with the ISAE3000 guidelines.

Auditing of the EC1 and EC3 economic KPIs is included in the verification of the 2015 Annual Report.

PUBLICATION DATE

The 2015 CSR report was published at the same time as the 2015 Annual Report on 9 March 2016 on the corporate website.

CONTACT

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

Martijn L.D. Schuttevâer

Director Investor Relations & Corporate Communications

Telephone: +31 78 6969822

Email: 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.

GRI INDEX	SECTION	PAGE
STRATEGY AND ANALYSIS		
1.1	Statement from the CEO	4-5
1.2	Principal risks, opportunities and impact in the chain	Context of CSR strategy/our value chain 11
ORGANIZATION PROFILE		
2.1	Name of the organization	Context of CSR strategy/our business model in a nutshell 8-9
2.2	Products and services	Context of CSR strategy/our business model in a nutshell 8-9
2.3	Operational structure	Context of CSR strategy/our business model in a nutshell 8-9
2.4	Location headquarters	Context of CSR strategy/our business model in a nutshell 8-9
2.5	Operating countries	Context of CSR strategy/our business model in a nutshell 8-9
2.6	Nature of ownership and legal form	Context of CSR strategy/our business model in a nutshell 8-9
2.7	Markets	Context of CSR strategy/our business model in a nutshell 8-9
2.8	Scale of reporting	Context of CSR strategy/our business model in a nutshell 8-9
2.9	Changes in organization	Context of CSR strategy/our business model in a nutshell 8-9
2.10	Awards	Our CSR strategy/objectives and results Care for human capital/safety 18 51
REPORTING PARAMETERS		
3.1	Reporting period	Appendix/about this report 72-73
3.2	Previous report	Appendix/about this report 72-73
3.3	Reporting cycle	Appendix/about this report 72-73
3.4	Contact point	Appendix/about this report 72-73
3.5	Process defining report content	Appendix/about this report 72-73
3.6	Boundary	Appendix/about this report 72-73
3.7	Limitations on scope or boundary	Appendix/about this report 72-73
3.8	Basis for reporting on joint ventures	Appendix/about this report 72-73
3.9	Techniques applied in composing indicators and other information in the report	Appendix/about this report 72-73
3.10	Re-statements	Appendix/about this report 72-73
3.11	Changes in reporting	Appendix/about this report 72-73
3.12	Standard disclosures	Appendix/about this report 72-73
3.13	Policy with regard to external verification	Appendix/about this report 72-73
GOVERNANCE, OBLIGATIONS AND INVOLVEMENT		
4.1	Governance structure	Responsible business conduct/corporate governance 69
4.2	Chair of the highest governance body.	Responsible business conduct/corporate governance 69
4.3	Independence	n.a.
4.4	Mechanisms for shareholders and employees	Responsible business conduct/corporate governance 69
4.5	Relating remuneration of highest governance body to organizational performance	Responsible business conduct/corporate governance 69
4.6	Processes applied by highest governance body to guard against conflict of interest	Responsible business conduct/corporate governance 69
4.7	Process for determining qualifications and expertise of members of the highest governance body	Responsible business conduct/corporate governance 69
4.8	Internally developed mission and codes of conduct	Responsible business conduct/corporate governance 69
4.9	Procedures for assessing sustainability performance by the highest governance body and frequency thereof	Responsible business conduct/corporate governance 69

GRI INDEX	SECTION	PAGE
4.10	Process for evaluating the performance of the highest governance body	Responsible business conduct/corporate governance 69
4.11	Notes on observance of precautionary principle	Our value chain/risks and opportunities 11
4.12	Commitment to external charters	Context of CSR strategy/our value chain 10
4.13	Membership of associations or organizations	Impact on the environment and natural surroundings/emissions 38
4.14	List of stakeholder groups	Our CSR strategy/materiality 14-16
4.15	Identification and selection of stakeholders	Our CSR strategy/materiality 14-16
4.16	Details of stakeholder dialogue, including frequency	Our CSR strategy/materiality 14-16
4.17	Details of topics discussed with stakeholders	Our CSR strategy/materiality 14-16
ECONOMIC PERFORMANCE INDICATORS		
EC 1	Direct economic value	Context CSR strategy/our business model in a nutshell/Appendix/about this report 9, 72-73
EC 3	Coverage of organization's defined benefit plan obligations	Care for human capital/labor practices/Appendix/about this report 54, 72-73
For more information on the Economic performance indicators we refer to our 2015 Annual Report, pages 32-61 and 63-138.		
NATURE & ENVIRONMENTAL PERFORMANCE INDICATORS		
EN 16	Greenhouse gas emissions	Impact on the environment and natural surroundings/emissions 38-40
SOCIAL PERFORMANCE INDICATORS		
LA 1	Workforce profile	Care for human capital/diversity, Appendix/HR data 57, 76-77
LA 2	Employee turnover	Appendix/HR data 76-77
LA 4	Percentage of employees covered by collective bargaining agreements	Appendix/HR data 76
LA 7	Injuries, diseases and absenteeism	Appendix/SHE-Q data 79
LA 8	Education, prevention, risk-control programs regarding serious diseases	Care for human capital/labor practices 54
LA10	Average hours of training per year per employee by employee category	Appendix/HR data 76
LA 11	Programs for skills management and lifelong learning	Care for human capital/talent management 52-53
LA 12	Employees receiving regular performance and career development reviews	Care for human capital/talent management 53
LA 13	Gender composition of governance bodies	Responsible business conduct/corporate governance 69
SO 1	Programs assessing the impacts of operations on communities, including entering, operating and exiting	Impact on local communities/impact of our activities/community investment programs 25, 27-29
HUMAN RIGHTS INDICATORS		
HR2	Percentage of suppliers assessed for human rights compliance	Responsible business conduct/supply chain management 66-67

HR DATA

The employees of Anglo Eastern, crew of the Dockwise vessels, are included in the overall reporting in view of this group's substantial size. However, these employees are not formally employed by an entity belonging to Boskalis and are not included in the detailed reporting. The 2014 figures have been adjusted accordingly for comparison purposes.

NUMBER OF EMPLOYEES

	2015	2014
Boskalis (including Anglo Eastern (AE))	8,268	8,446

COMPOSITION OF WORKFORCE

NUMBER OF EMPLOYEES BY COUNTRY (EXCL. AE)	2015	2014
The Netherlands	3,555	3,754
Singapore	425	654
Belgium	590	587
South Africa	531	586
Philippines	439	462
UK	298	325
Nigeria	111	128
UAE	127	125
Brazil	59	114
Mexico	157	87
Other	1,048	1,136
TOTAL	7,340	7,958

AGE PROFILE	2015	2014
Age <30	16%	17%
Age 30 – 50	55%	54%
Age >50	29%	29%
TOTAL	100%	100%

COLLECTIVE BARGAINING AGREEMENTS	2015	2014
No	62%	60%
Yes	38%	40%
TOTAL	100%	100%

TYPE OF CONTRACT	2015	2014
Fixed term/project based	25%	29%
Permanent/indefinite	75%	71%
TOTAL	100%	100%

NATIONALITIES	2015	2014
Number of different nationalities	69	75

WOMEN/MEN RATIOS	2015	2014
Women	11%	10%
Man	89%	90%
TOTAL	100%	100%

TRAINING

TRAINING HOURS	2015	2014
Management	5,600	3,455
Office staff	24,730	28,677
Project staff	40,657	40,251
Crew/yard staff	58,516	72,164
TOTAL	129,503	144,547

FULLTIME/PARTTIME RATIOS	2015	2014
Fulltime	94%	95%
Parttime	6%	5%
TOTAL	100%	100%

RECRUITMENT

INFLOW BY AGE	2015	2014
Age <30	389	560
Age 30 – 50	845	885
Age >50	220	220
TOTAL	1,454	1,666

OUTFLOW BY REASON	2015	2014
Divestments	11%	6%
End of project/contract	57%	49%
Voluntary resignation	18%	24%
Retirement/death	6%	6%
Termination	8%	15%
TOTAL	100%	100%

OUTFLOW BY AGE	2015	2014
Age <30	357	391
Age 30 – 50	1,157	945
Age >50	558	402
TOTAL	2,072	1,738

DEVELOPMENT

JOB CATEGORIES	2015	2014
Management	2%	2%
Office staff	27%	25%
Project/Site Staff	19%	19%
Workforce/Crew	51%	54%
TOTAL	100%	100%

JOB CATEGORIES WOMEN/MEN RATIOS	2015*		2014	
	WOMEN	MEN	WOMEN	MEN
Management	9%	91%	9%	91%
Office staff	33%	67%	33%	67%
Project staff	5%	95%	5%	95%
Crew/yard staff	1%	99%	1%	99%
TOTAL	11%	89%	10%	90%

* The number of crew members fell sharply in 2015 but given the small number of female crew members there was no discernible change in percentage terms. At overall level the decline did, however, result in a relative fall in the number of male employees.

JOB CATEGORIES BY AGE RATIOS	2015			2014		
	<30	30 T/M 50	>50	<30	30 T/M 50	>50
Management	1%	46%	53%	1%	44%	55%
Office staff	11%	63%	26%	14%	59%	27%
Project staff	21%	58%	22%	21%	58%	21%
Crew/yard staff	16%	51%	33%	18%	51%	31%
TOTAL	16%	55%	29%	17%	54%	29%

SHE-Q DATA

OVERVIEW OF CERTIFICATIONS BOSKALIS

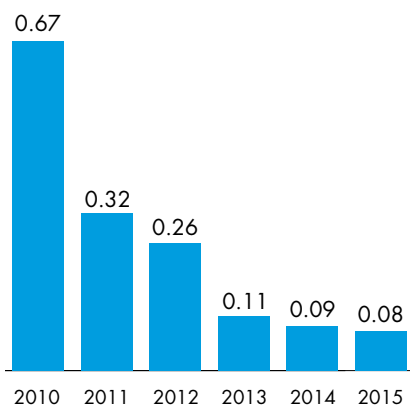
	ISO 14001	OHSAS 18001 OF VCA*	ISO 9001
DREDGING & INLAND INFRA	✓	✓	✓
OFFSHORE ENERGY			
SUBSEA CONTRACTING	✓	✓	✓
MARINE CONTRACTING	✓ (50%)	✓	✓
SUBSEA SERVICES	✓ (50%)	✓ (75%)	✓
MARINE SERVICES	✓ (33%)	✓ (33%)	✓
SALVAGE			
	–	–	✓
HARBOUR TOWAGE (NORTHWEST EUROPE)			
	–	–	–

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.

LTIF



	2015				2014		
	TRIR	LTIF	HOURS (MILLION)	LTI'S	LTIF	HOURS (MILLION)	LTI'S
Dredging & Inland Infra	0.83	0.09	19.6	9	0.07	20.54	7
Offshore Energy	0.37	0.05	11.8	3	0.13	15.77	10
SMIT Aamanda Marine	0.44	0.07	2.71	1	0.07	2.96	1
Towage (Northwest Europe) & Salvage	2.15	0.09	2.33	1	0.12	3.30	2
Offices & Fleet Management	0.42	0.14	4.3	3	0.07	2.99	1
GROUP TOTAL	0.70	0.08	40.8	17	0.09	42.60	20

VERIFICATION STATEMENT

To the Stakeholders of Royal Boskalis Westminster N.V.

Objectives

Bureau Veritas Netherlands (Bureau Veritas) was engaged by Royal Boskalis Westminster N.V. (Boskalis) to provide independent verification of selected performance disclosures to be presented in its Corporate Social Responsibility Report 2015 (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.

The engagement was conducted by a multidisciplinary team including assurance practitioners with knowledge of non-financial data.

Scope of work

The scope of our verification engagement covered the performance disclosures made by Boskalis against the following selected indicators: EN16, 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' global operations. The reporting period is from 1st of January to 31st of December 2015. The scope of the verification work included quantitative performance data only, and we did not verify any other information that may be presented in the CSR Report.

Responsibilities of Boskalis and Bureau Veritas

The collation, calculation and reporting of the data is the sole responsibility of Boskalis. Given the nature of its business and taking materiality into account, Boskalis has chosen to report partially on certain indicators (see chapter "Scope", page 72, for details.) 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.

Methodology

Bureau Veritas undertook the following activities:

- interviewing 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.

A limited level of assurance was undertaken in accordance with the requirements of the International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information ('ISAE 3000'), incorporated to Bureau Veritas internal protocol for the assurance of sustainability reports.

Limitations and Exclusions

This statement should not be relied upon to detect all errors, omissions or misstatements..

The scope of the verification 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.

Our Conclusion

Based on the verification work we carried out and the evidence we were presented with, as per the scope of work above, nothing came to our attention to suggest that factual information, performance metrics and data contained within the CSR Report, as far as the selected performance disclosures are concerned, are materially misstated.

Statement of independence, integrity and competence

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

Bureau Veritas operates a certified¹ Quality Management System which complies with the requirements of ISO 9001:2008, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The assurance team for this work does not have any involvement in any other Bureau Veritas projects with Boskalis. Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA)², across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities.



Bureau Veritas Inspection & Certification
The Netherlands B.V.
Amersfoort , 8 March 2016

¹ Certificate of Registration FS 34143 issued by BSI Assurance UK Limited

² International Federation of Inspection Agencies – Compliance Code – Third Edition



GLOSSARY

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

Ballast water Ballast water in ships is used to improve depth, stability and strength when the ship is not fully loaded. Ballast water discharges by ships can have a negative impact on the marine environment.

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.

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

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

Cutter See cutter suction dredger.

Decommission To dismantle and/or remove oil and gas rigs which have been taken out of service permanently.

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

EPC Engineering, procurement and construction services.

Green valve A system to exclude air bubbles from the excess water during the overflow from the hold of a trailing suction hopper dredger. The excess water contains fine sediment. Through the use of green valves the sediment more rapidly reaches the bottom, decreasing the turbidity in the water column.

HFO Heavy Fuel Oil.

Hopper/hopper dredger See trailing suction hopper dredger.

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).



LNG Liquefied Natural Gas.

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

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

MDO/MGO Marine Diesel Oil/Marine Gas Oil.

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.

Room for the River The goal of the Dutch Room for the River Program is to give the rivers in the Netherlands more room to prevent flooding. At more than 30 locations, measures will be taken that provide safety and improve the quality of the immediate surroundings.

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

Cutter suction dredger 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.

Transparency Benchmark The Transparency benchmark is an annual research on behalf of the Dutch Ministry of Economic Affairs on the content and quality of corporate social responsibility reports of Dutch companies.

TRIR (Total Recordable Injury Rate) Number of accidents (LTI's), Restricted Work Cases (RWCs) and Medical Treatment Cases (MTCs) per 200,000 hours worked.

Turbidity Turbidity is caused by the sea or riverbed being churned up during dredging activities, which reduces the incidence of light in the water; this can be temporarily detrimental to underwater animal and plant life.

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

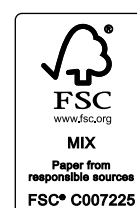




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