

SUSTAINABILITY REPORT 2020



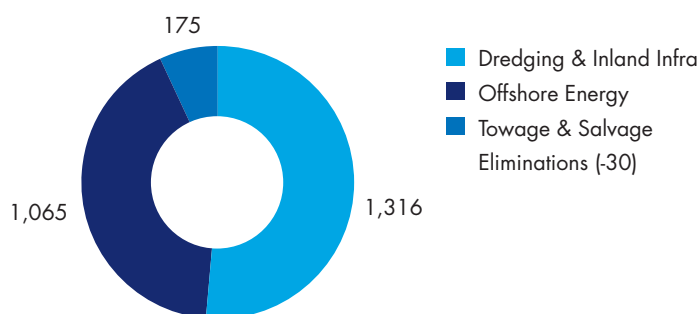
KEY FIGURES

(in EUR million, unless stated otherwise)	2020	2019
Revenue	2,525	2,645
Order book	5,306	4,722
EBITDA	404	376
Net result from joint ventures and associates	19*	26
Depreciation and amortization	264	265
Operating result	140	28
Exceptional items (charges/income)	-195	82
EBIT	-56	111
Net operating profit	90	-1
Net profit (loss)	-97	75
Net group profit (loss)	-97	75
Cash flow	355*	340
Shareholders' equity	2,283	2,491
RATIOS (IN PERCENTAGES)		
EBIT as % of revenue	5.5*	4.2
Return on capital employed	3.9*	2.9
Return on equity	3.8*	3.0
Solvency	50.5	54.3
FIGURES PER SHARE (IN EUR)		
Profit	0.69*	0.56
Dividend (proposal)	0.50	-
Cash flow	2.48*	2.55
NON-FINANCIAL INDICATORS		
Employees including associated companies	9,913	9,604
Employees in Boskalis majority owned entities	6,137	5,812
Ratio women/men within Boskalis' majority owned entities	14/86	14/86
Number of nationalities within Boskalis' majority owned entities	84	79
Lost Time Injuries (LTI)	9	6
Lost Time Injury Frequency (LTIF)	0.05	0.03
Total Recordable Injury Rate (TRIR)	0.32	0.37
Strategic suppliers: percentage spend covered by Supplier Code of Conduct	85	81
CO ₂ emissions scope 1+2 (MT ('000))	973	1,110

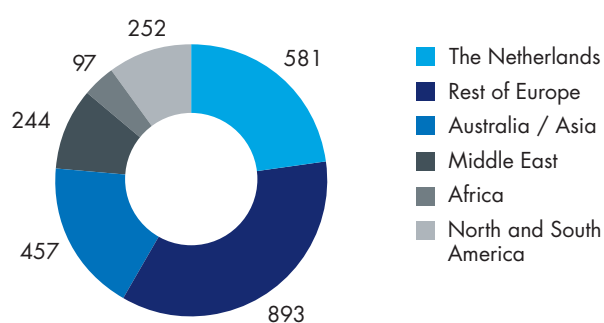
Please refer to the glossary for definitions of the terms used

* Excluding exceptional charges

REVENUE BY SEGMENT (in EUR million)



REVENUE BY GEOGRAPHICAL AREA (in EUR million)



SUSTAINABILITY REPORT 2020

This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards: core option.

Printed copies of this sustainability report can be requested via csr@boskalis.com.

The sustainability report can be found on www.boskalis.com/sustainabilityreport.

Certain photos in this annual report were taken before the outbreak of COVID-19 or on vessels or at locations where the 1.5-meter social distancing rule and other public health measures do not apply.

TABLE OF CONTENTS



4	CHAIRMAN'S STATEMENT
6	STRATEGY AND AMBITION
22	SDG CONTRIBUTION THROUGH OUR ACTIVITIES
42	CARE FOR OUR PEOPLE
54	MANAGING OUR IMPACT ON THE ENVIRONMENT
68	MANAGING OUR IMPACT ON LOCAL COMMUNITIES
76	RESPONSIBLE BUSINESS CONDUCT
86	APPENDIX

CHAIRMAN'S STATEMENT

The year 2020 has been exceptional in many ways. At the beginning of March we presented our new Corporate Business Plan for 2020-2022 and were confident that the upward trend we had signaled would continue. We were also positive about the longer term as we expect Boskalis to make a relevant contribution to solutions for the challenges of the future, in the fields of infrastructure, the energy transition and the protection of coastal regions from the impact of climate change. Sustainability would continue to be a main driver in delivering these solutions.

Shortly thereafter, the magnitude of the COVID-19 pandemic became apparent. Lockdown measures were announced across the globe, working from home became the norm, the aviation industry came to a grinding halt and as a consequence, keeping our projects and vessels around the world operational and staffed became an unprecedented challenge.

The welfare of our employees was our number-one priority throughout and we immediately introduced measures to safeguard safety as well as to ensure the continuity of the projects of our clients. At the start of the pandemic, the Board of Management and our Emergency Response Team convened daily to set priorities. Together with the Corporate Travel Clinic in the Netherlands, we established our own testing and travel procedure by mid-April, allowing us to provide the much needed relief for the vessels and projects. Some colleagues spent months away from their loved ones, stranded on a vessel waiting for relief crews, others were at home longing to get to a project or vessel; and of course many have been working from home juggling work and personal priorities. I want to express my great admiration and respect for the dedication shown by everyone at Boskalis during this challenging year.

SUSTAINABLE DEVELOPMENT GOALS

Despite the challenges of the pandemic, we continued with the execution of our new strategy, launched early 2020, and have made progress in the last twelve months. Through our sustainability strategy we support our business strategy and strengthen our contribution to the Sustainable Development Goals (SDGs). For over 100 years we have been providing services that are essential for society and I'm proud to say we continue to do so today. Through our activities, we protect land from the consequences of climate



change, create resilience infrastructure for trade, help keep the oceans clean and contribute to the energy transition. The vast majority of our revenue is generated in one of these business areas and contributes to the achievement of the SDGs.

PROTECTING AGAINST THE IMPACTS OF CLIMATE CHANGE

Climate change sits firmly at the top of the global agenda and we read with disturbing frequency about floods, and other extreme weather conditions linked to climate change, in the media. Protecting against the impact of climate change is an area where our activities can make a substantial contribution to 'reversing the tide'. In 2020 our work began on the new coastal defense structure in Southsea, UK, that will help reduce the risk of flooding for more than 10,000 homes and 700 businesses. Our delivery of coastal protection works in Romania will help counter steady erosion in the region whilst creating a favorable habitat for local ecosystems. And we continued our long history of dike protection in the Netherlands with reinforcements to the protective Houtrib and Markermeer dikes.

However, we face significant hurdles before climate-adaptive solutions like these can be scaled up globally. This year we formed an internal climate adaptation workgroup to address this challenge as well as to identify and accelerate opportunities that could add commercial value for our business and create sustainable protective measures for the environment and communities living in coastal areas.

PROTECTING THE OCEANS

Salvage has had one of the busiest and most successful years in its rich history. The most impactful project took place off the coast of Sri Lanka. A VLCC tanker carrying two million barrels of crude oil caught ablaze following an explosion and fire in the engine room. The fire was controlled and a potentially huge environmental disaster was averted. The crude tanker was towed to the United Arab Emirates, where the crude oil cargo was safely transferred to other vessels.

ADVANCING THE ENERGY TRANSITION

Our energy transition-related projects continued in 2020, including acquiring a spectacular contract for the world's largest floating wind farm: Kincardine, as well as the contract for the Fécamp wind farm offshore Normandy, France that is expected to provide enough electricity to meet the power needs of 770,000 people. The combination of the heavy transport fleet, our seabed and subsea capabilities, large anchor handling vessels together with our project management and engineering skills, uniquely positions Boskalis for this rapidly growing market.

SUSTAINABLE GROWTH

In 2020, I'm proud to share that we ended the year with a revenue of EUR 2.5 billion, EBITDA of EUR 404 million and a historically high order book of EUR 5.3 billion. At the same time, we were able to substantially improve our strong financial position boasting a net cash position of EUR 439 million as per year end.

While the COVID-19 pandemic stretched our focus, the urgency of delivering our economic value in a sustainable manner has never been higher. We continue our efforts to deliver on our sustainability ambitions, to enhance the positive impacts of our operations and minimize the negative. This is reflected in the update of our sustainability strategy in 2019 and policy commitments in 2020.

ROAD TO ZERO

In 2020, we made it our ambition to be net climate neutral across our operations by 2050. Delivering on this will be one of our biggest challenges in the years to come, but also an area for significant opportunities. We are actively exploring cleaner fuels, efficiency improvements and carbon offset as approaches to mitigate our emissions. We are also focusing on our low-carbon commercial offering for our clients, incorporating design and operation emissions reductions into our tenders. Our business in the Netherlands is at the forefront of this effort, with 80% of our tenders incorporating a sustainability component. In 2020 we installed more than 5,000 solar panels on the roof of our distribution center in the Netherlands, producing 1.6 million kWh of green electricity per year, or 15% of our domestic needs.

BIODIVERSITY FRAMEWORK

At Boskalis we value the natural environment. In 2020 we had the honor of establishing collaborations with two international NGOs to help advance our approach on this topic. We entered into a

collaboration with Wetlands International, an NGO dedicated to protecting and restoring wetlands around the world. Together we are exploring the potential of wetland habitat creation for carbon sequestration. Another important project we initiated this year was with the International Union for Conservation of Nature. Through this collaboration we are working to develop best practices in biodiversity performance planning and monitoring. Based on this work we have identified biodiversity priorities and clarified our ambition and objectives as set out in our biodiversity framework. This is an increasingly important area for society and therefore for us and our clients. Looking forward we will continue this important work to improve the way we measure our impact on biodiversity impacts and the effectiveness of our nature-based solutions.

SOCIAL IMPACT

Despite the COVID-19-imposed restrictions limiting the ability to interact with communities, we still managed to deliver a number of community contributions in particular in the areas of safety training and youth education. We also took this time to focus on social impact management process and internal capability, updating our policy, developing training and incorporating new tools into our Way of Working quality management system. This effort places us in an ever stronger position to deliver complex projects in a socially responsible manner.

CARE FOR OUR PEOPLE

This year we marked the 10th anniversary of NINA, our successful, behavior-based safety program. Our planned celebrations were unfortunately disrupted by the restrictions imposed by the pandemic, but this should in no way detract from the pride we can all share in seeing our Lost Time Injury Frequency fall by no less than 95% in the last 10 years.

After a true roller coaster ride over the last 12 months, I am looking forward with confidence. We may not be there yet, but thankfully, it appears as if the end of the pandemic is in sight and as a company we are in great shape. Not only do we have a record high in our order book, a strong financial position, and the best team of professionals in the industry, but we are on course to deliver ever more sustainable solutions to the challenges the world faces today.

On behalf of the Board of Management, I would like to thank all of our colleagues for their commitment and dedication over the past year; I have great admiration and respect for the dedication shown during this challenging year. Furthermore, I would like to thank our clients, partners and shareholders for the trust and confidence they place in us.

Peter Berdowski

STRATEGY AND AMBITION



8	BOSKALIS AT A GLANCE
10	SAFE AND CONNECTED DURING COVID-19
12	OUR BUSINESS IN A CHANGING WORLD
14	OUR APPROACH
18	STRONGER TOGETHER
20	INNOVATIONS AND PARTNERSHIPS IN ACTION

BOSKALIS AT A GLANCE

With our headquarters in Papendrecht in the Netherlands, we operate around the world as a leading player in dredging, offshore energy and marine services.

Through our activities, we play a pivotal role in keeping the world in motion both on land and at sea; for a full description of our activities, see our Annual Report 2020. Through our strategy and responsible business practices, we contribute to the United Nations' Sustainable Development Goals (UN SDGs), which form the blueprint to achieve a better and more sustainable future for all.

We draw up our three-year corporate business plan with a clear eye on the megatrends that relate to our business, such as population growth, climate change, increasing energy consumption, growing world trade and the energy transition.

Boskalis is a project-based organization. The key elements of each project are described on this page.



Diverse clients

With over 100 years experience and a presence in over 90 countries, we offer a broad range of specialist maritime services to our clients.

Our clients include government organizations, energy companies, project developers, port and terminal operators and shipping companies. We provide a wide variety of solutions for our clients (including nature-based solutions), such as coastal protection, channel deepening, land reclamation, engineering, energy infrastructure, towage and marine salvage. In 2020 we were active in more than 70 countries. For more information on our offerings to clients, see our Annual Report 2020 or www.boskalis.com.



Committed employees

As our industry requires highly qualified workers and experienced professionals, our 6,137 employees are our most important asset.

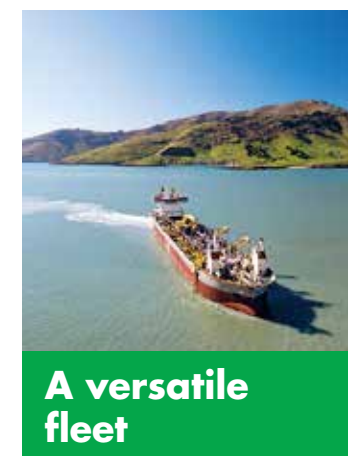
Our employees fulfill our need for experienced professionals with specialized skills and a workforce that is engaged with topics high on our agenda, such as innovation and sustainability. We focus our efforts on attracting the right talent and creating an inclusive workplace that supports and stimulates employees to develop and grow. Our safety risk profile is relatively high and the safety of our employees and subcontractors is a top priority. Our safety program and performance are described further on page 44.



Responsible suppliers

Through our central procurement office we maintain relationships with around 1,440 suppliers. A reliable and efficient supply chain is essential to our business.

We maintain relationships with around 1,440 direct suppliers; of these 82% are based in the Netherlands, 15% in other European countries and 3% outside Europe. We expect all our suppliers to act responsibly and with integrity, in line with our values. We monitor the implementation of our Supplier Code of Conduct, working with suppliers on improvements where necessary. In addition, our supply chain partners can be a source of sustainable innovations. For more information, see page 82.



A versatile fleet

Our versatile fleet consists of more than 650 specialized vessels and floating equipment, which are deployed around the world.

Our strength lies mainly in the fact that we deploy our own vessels on our projects. Throughout all our activities we pay particular attention to any impact our vessels may have on the environment. This impact covers areas that include fuel type, safety, waste, ballast water and energy management. In addition, we are committed to the safe and sustainable dismantling of all our ships. Read more about our dismantling policy on page 83.



Sustainable innovation

We develop technical and infrastructure solutions that are flexible and can be adapted in response to changing environments.

Our technical and infrastructure solutions, that include low-carbon and nature-based options, can be adapted to different environments. Multi-disciplinary teams design and plan projects that often add environmental value as well as meeting, or exceeding, the expectations of our clients. In 2020 we renewed our innovation strategy to embed sustainable innovation further into our organization. We work together with start-ups, NGOs, industry platforms and civil society to share and build knowledge, and stay at the forefront of our sector. Read more about our approach to innovation on page 64.



Community engagement

Sometimes our projects are located where they interact with local communities.

In many cases the presence of our activities creates a positive socio-economic impact on the nearby communities. This could take the form of local job creation, procurement or community investment. Wherever we can, we seek to enhance the positive impacts of our projects. At the same time, we pay close attention to potential adverse impacts our activities could have on the local communities. Read more about the way we manage this impact on page 68.

"WE HAVE A RECORD HIGH IN OUR ORDER BOOK, A STRONG FINANCIAL POSITION, AND THE BEST TEAM OF PROFESSIONALS IN THE INDUSTRY. WE ARE ALSO ON COURSE TO DELIVER EVER MORE SUSTAINABLE SOLUTIONS TO THE CHALLENGES THE WORLD FACES TODAY"

Peter Berdowski
Chief Executive Officer

SAFE AND CONNECTED DURING COVID-19

EMERGENCY RESPONSE TEAM FROM DAY ONE

Early March when the magnitude of the COVID-19 pandemic became apparent in Europe, the Emergency Response Team (ERT) was mobilized and together with the Board of Management convened on a daily basis. The ERT and Board followed the developments on the projects and our vessels closely and set priorities to safeguard the safety of our employees, focused on the continuity of the business, and took measures to preserve the financial position of the Group. As time progressed, many of the COVID-19-related ERT/Board actions were delegated to the Travel Emergency Team and other operational departments.

CRITICAL ROLE FOR INTERNAL COMMUNICATIONS

From the first day of the pandemic there was a huge desire among our colleagues around the world for information and answers to a wide array of questions. The role of internal communications was critical throughout the pandemic. This resulted in frequent COVID-19 updates from CEO Peter Berdowski via email and video messages. Through our global internal communications platform Yourizon, which was conveniently launched in February 2020, we were also able to share stories and pictures from colleagues working on projects, vessels and at home, with the aim of keeping everyone in the company up to date on the latest developments. Early May, an interactive livestream was held with the CEO in which he answered questions from many colleagues around the world. Since then, we held regular livestreams and interviews to keep the organization informed and connected – both with the CEO and the Board members within their respective divisions.



EARLY TESTING AND PRIVATE CHARTERS

In the initial period, the challenge to relieve and rotate colleagues on the vessels and projects was massive. Despite legal measures in certain countries restricting travel, the impact of the pandemic on the aviation industry, which came to a grinding halt, still had a crippling effect. By mid-April, we had established our own PCR testing procedure in collaboration with the Corporate Travel Clinic in Rotterdam, the Netherlands. Through this procedure, we tested colleagues in the Port of Rotterdam using the facilities on board our vessels Ndeavor, BOKA Da Vinci and Ndurance; this meant we could establish if a relief crew was healthy and free of COVID-19 and we could provide relief for projects and vessels in Europe. For projects outside of Europe, the testing facility was later expanded to Amsterdam Airport Schiphol and, in the absence of scheduled flights, Boskalis organized numerous private charter flights to keep the projects moving.

TRAVEL EMERGENCY TEAM

With a core team in the Netherlands and support colleagues in locations around the world, the Travel Emergency Team (TET) was set up in March, when travel restrictions were introduced in numerous countries, to assure safe traveling between vessels and projects. The focus was on optimizing travelers' wellbeing as well as the continuity of their travel arrangements. TET's activities included arranging tailor-made travel options for individuals and groups, which occasionally involved contact with the Dutch embassy of a particular country. The team worked day and night, ensuring employees who needed to travel had the right documentation, and dealing with the unpredictable logistics of quarantine. The TET was in regular contact with the projects to discuss the support needed and maintained close contact with travelers during their journeys.

ONLINE LEARNING ACADEMY

A new online learning platform was introduced early April. This platform was due to be introduced in a hybrid classroom/online format in the summer of 2020, however due to COVID-19, the format was amended to online only and the roll-out was fast-tracked. Through the academy, colleagues were able to continue to develop their skills and knowledge. The platform offers a wide range of online courses related to project-based working, digital skills, leadership and vitality. Since the introduction, colleagues have followed more than 2,000 courses.

THE VITALITY PORTAL

Recognizing the need to focus on the wellbeing of our employees throughout the pandemic, we created the interactive Vitality Portal, where employees can find a diverse package of information, services and activities to support their vitality and



encourage an optimal work/life balance. By sharing their own particular issues, such as stress, exercise and food, Boskalis posted custom tutorials on the platform. Employees can also enlist the help of a coach via the portal, and join relevant webinars.

REMOTE LEADERSHIP MODULES

Remote working demands new skills from our leaders. In response to the changed requirements in leadership style needed during 2020, we developed four interactive modules on: a) guiding your remote team most effectively; b) collaborative leadership – strengthening your relationship with your team; c) managing on output – giving employees more control; and d) peer-coaching – sharing knowledge and learning from colleagues. Over the course of 2020 the webinars were provided in the Netherlands and attracted 250 participants, about 60% of our managers. The program will continue in 2021.

COVID-19 SURVEY

In November we held a COVID-19 survey among some 2,000 employees, most of them working from home, to monitor wellbeing, vitality, productivity and continuity, as well as to gain insights into what they needed to stay engaged and effective. This helped us to quickly identify the steps we needed to take to adapt our organizational management in a time of uncertainty. Working from home is seen to have both clear advantages and disadvantages. Advantages mentioned included having more time by eliminating the need to commute, and a greater feeling of autonomy. Some of the disadvantages noted were difficulty in

finding a good work/life balance and creating a well-equipped home office. The Vitality Portal went some way to addressing the former, and the latter was partly solved through an additional service coordinated through the IT Service Desk in the Netherlands.

COVID-19 TEST STREET

As a service to employees and to circumvent the long waiting times at regular COVID-19 test facilities, Boskalis set up a test facility on the Papendrecht campus in the Netherlands. Our Corporate Travel Clinic implemented similar facilities for crews before they boarded vessels, and for employees working on projects.

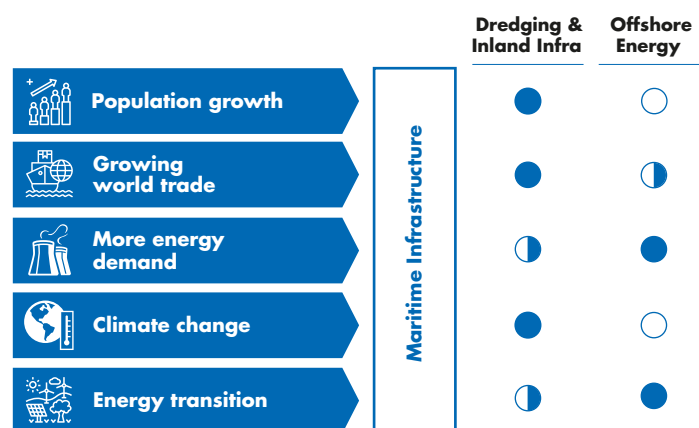
QUARANTINE SUPPORT

Due to the pandemic, colleagues sometimes had to spend weeks in quarantine, with the potential to majorly impact on personal wellbeing. Our Quarantine Support Team was set up to provide the best possible support for colleagues all around the world, looking after their mental as well as physical wellbeing. We adapted this support to suit local circumstances; some colleagues were in isolation on vessels while others had to spend their quarantine in hotels. In some instances we hired extra staff from outside the organization, including psychologists. We also set up a Quarantine Support portal with tips about how to use the time in isolation for self-development, by following training courses for example via the Boskalis online academy. A Quarantine Guidelines toolbox was introduced to give practical advice and tips as well as a box with provisions for the quarantine period.

OUR BUSINESS IN A CHANGING WORLD



Despite our fast-changing and unpredictable world, megatrends such as population growth and climate change continue to drive our business. They underpin our corporate strategy and create both opportunities and challenges – for ourselves, the environment and society. Five megatrends drive our sustainable profitability:



Based on current insights and despite the COVID-19 pandemic, the long-term megatrends are still relevant and positive for Boskalis.

Population growth is the overarching trend that propels our business, creating a need for new land as well as marine and inland infrastructure. In December 2020, the global population stood at 7.8 billion, a figure likely to hit 9 billion by 2040. By then, almost 70% of the world’s population – together with associated assets and infrastructure – will occupy just 0.5% of the world’s land area, much of it near water, and some of that land will be reclaimed. By 2040, with emerging markets expected to outgrow the advanced economies, and the average global Gross Domestic Product (GDP) per capita to have risen by 50%, there will be a growing and more affluent population in coastal regions. There is also predicted to be a shift in the center of economic activities from the West to the East. This growing, and changing population, opens up new opportunities for our business activities, as well as associated opportunities and challenges to deliver our services in an environmentally and socially responsible way.

Infrastructure services are the backbone of development – they support essential services required to meet economic and financial,

social and environmental objectives. In particular, the building of trade-related infrastructure is recognized as a key element to help accelerate progress towards achieving the UN Sustainable Development Goals (SDGs). Boskalis continues to benefit from the trend towards larger vessels with deeper drafts. In ports these vessels require deeper access channels and larger and deeper berths and turning basins, creating opportunities primarily in the area of dredging.

As a consequence of the above-mentioned demographic and economic developments, energy demand continues to increase. Part of this demand can be served from existing sources, however significant new investments are required to meet this rising demand. The absolute level of demand post COVID-19 and the rate of the energy transition will both impact the magnitude and focal areas for capital investments. A more rapid energy transition – consistent with meeting the Paris climate goals – would also create substantial new opportunities for Boskalis. Within such a faster energy transition, the share of coal and oil in the energy mix would strongly decline and be offset by an even sharper growth in renewables and gas – the two most relevant energy markets for Boskalis.

Climate change sits firmly at the top of today’s global agenda. Sea levels are rising and extreme weather conditions increasingly impact people and assets, especially in coastal regions. With 75% of major cities located on coastlines and some 1.1 billion people living in flood-prone areas, a figure expected to rise to 1.6 billion by 2050, the urgency to develop and implement sustainable climate-adaptive solutions has never been greater. Global recognition of this urgency was marked by The Global Commission on Adaptation denoting 2020 the Year of Action to accelerate and scale up climate change-adaptive solutions, an initiative supported across sectors.

In 2020 the World Economic Forum identified climate action failure as the number-one global risk, and the World Bank has determined the cost of the damages resulting from flooding to be seven to ten times higher than the cost of adaptation. The responsibility and opportunities for businesses to step up to the challenge is bigger than ever.

OUR APPROACH

OUR MATERIAL TOPICS

Our sustainability strategy has been formed around the material topics that were identified in a materiality analysis. The materiality assessment illustrates the relative importance of a shortlist of 23 topics to our business and our stakeholders. These topics were defined based on ESG benchmarks and reporting frameworks, alongside a media and peer analysis. During the last update in 2019, an online assessment was carried out, inviting input from over 50 members of senior management, the entire Board of Management, as well as over 100 employees. In addition, over 100 external stakeholders including clients, investors, NGOs and suppliers, were asked to participate in the assessment. Each of the 23 topics were clearly defined and the internal and external stakeholders were asked to rank the issues that matter most and least to them. The resulting materiality matrix as shown below presents the relative importance of these themes. Boskalis intends to update this assessment in 2021.

MEASURING, REVIEWING, REPORTING

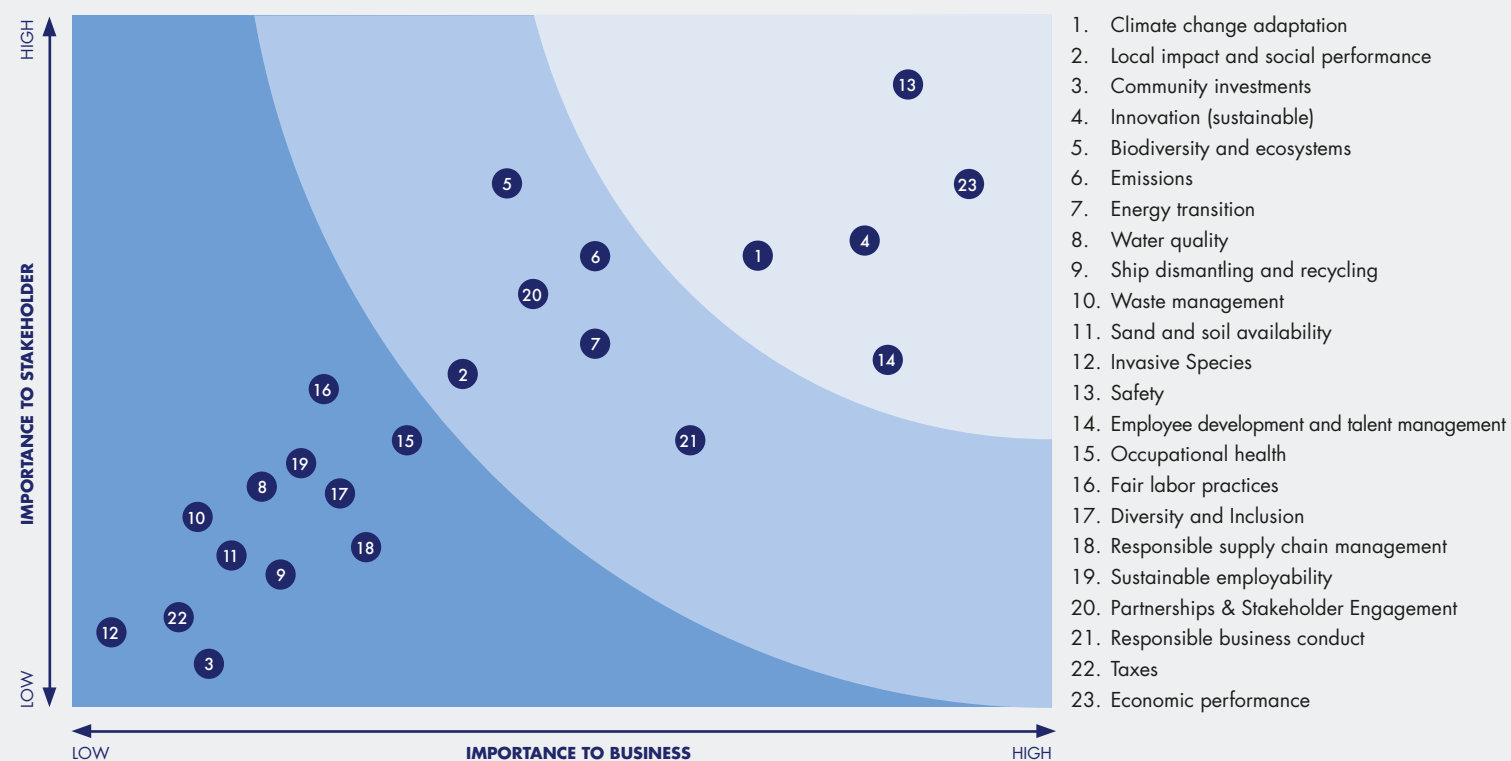
We have been publicly disclosing our sustainability performance for more than a decade. Our report is based on the guidance of the Global Reporting Initiative (GRI) and focuses on communicating the key sustainability challenges and opportunities we face and the ways we respond to them. Together with our Annual Report 2020 we fulfill our responsibilities with respect to the Dutch Besluit 'bekendmaking niet-financiële informatie'. You can read more about our reporting scope and disclosures on page 90. The Boskalis Annual Report 2020, which is published together with this report, covers our economic and operational performance.

SUSTAINABILITY STRATEGY

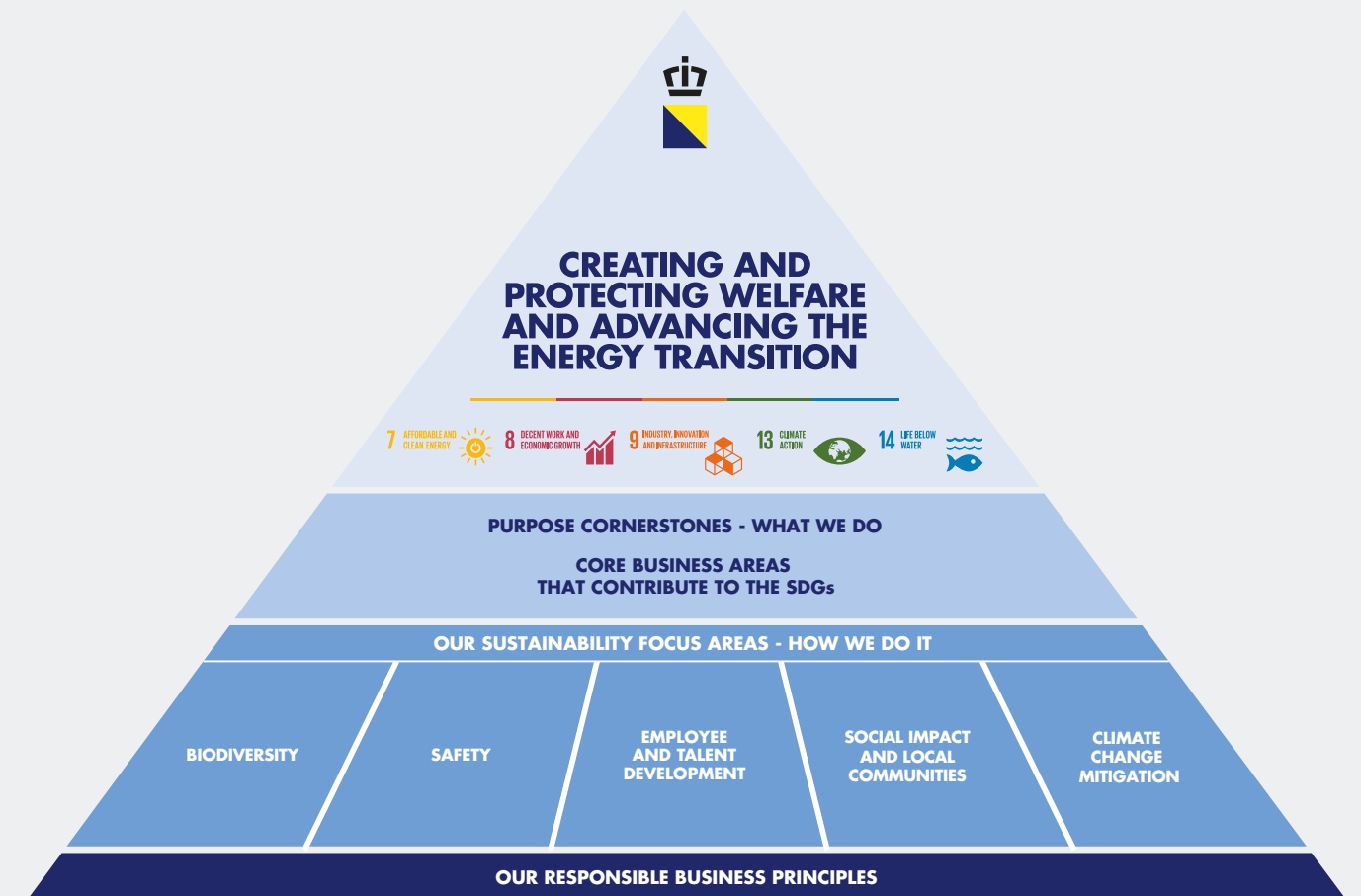
Through our sustainability strategy we aim to support our business strategy and strengthen our contribution to the SDGs. Our sustainability strategy steers our actions across the sustainability topics most material to our business. Our approach is informed by our materiality assessment and stakeholder engagement. Critically, our strategy is formulated with the senior leadership team to ensure the ambition and action is closely aligned with and supports our business strategy. As we move forward in our sustainability journey, we will continue to prioritize these ambitions and actions throughout our business, involving our stakeholders and our employees.

Our sustainability strategy is structured around three tiers: our purpose cornerstones, sustainability focus areas and responsible business principles. Individual topics within the tiers originate from the engagement we have with our stakeholders and are derived from the materiality assessment. The clustering of the topics within the three tiers is briefly described below and is elaborated on in the remainder of the Sustainability Report.

MATERIALITY MATRIX



1. Climate change adaptation
2. Local impact and social performance
3. Community investments
4. Innovation (sustainable)
5. Biodiversity and ecosystems
6. Emissions
7. Energy transition
8. Water quality
9. Ship dismantling and recycling
10. Waste management
11. Sand and soil availability
12. Invasive Species
13. Safety
14. Employee development and talent management
15. Occupational health
16. Fair labor practices
17. Diversity and Inclusion
18. Responsible supply chain management
19. Sustainable employability
20. Partnerships & Stakeholder Engagement
21. Responsible business conduct
22. Taxes
23. Economic performance



TIER 1. PURPOSE CORNERSTONES

The first tier captures the core areas of our business that create economic and societal value and contribute to the SDGs. This contribution is closely linked to our purpose, "Creating and protecting welfare and advancing the energy transition". Through our activities and business we directly contribute to four SDGs which we have labeled our purpose cornerstones'. These are: Innovation, Industry and Infrastructure; Climate Action; Life Below Water; and Affordable and Clean Energy. Our activities facilitate world trade, create infrastructure and new land for society; our coastal defense and riverbank protection activities help protect society and the natural environment from the consequences of climate change, such as rising sea levels and extreme weather conditions; our marine salvage business helps protect valuable vessels and their crews and cargoes, as well as Life Below Water from environmental disasters; and our energy services contribute to the delivery of affordable and clean energy.

With each cornerstone we aim to generate economic value while addressing environmental and societal opportunities, needs and challenges. The specific way we do this from a sustainability perspective is addressed in the second and third tiers. The cornerstones, their explicit link with the SDGs and our progress in 2020 is described from pages 22 onwards and in our Annual Report 2020, which gives details of our economic performance.

TIER 2. SUSTAINABILITY FOCUS AREAS

The second tier comprises five sustainability focus areas related to how we do business and how we manage our impact.

These are: mitigating our impact on climate change through taking steps towards achieving our climate neutral ambition, biodiversity and ecosystems, local community and development, employee and talent development and safety. Being able to manage the risks and opportunities related to these topics is essential to our business success.

It is within these areas that we focus our efforts in order to develop new technologies and more sustainable ways to deliver projects for our clients and to enhance the positive and minimize the negative impacts of our operations. To support delivery of our sustainability strategy, we have identified high-level ambitions and established targets to measure our progress. These are summarized below and are composed of both quantitative and qualitative metrics. Our approach and performance in 2020 for each of the sustainability focus areas is described in the subsequent chapters of this report.

TIER 3. RESPONSIBLE BUSINESS PRINCIPLES

Our responsible business principles are the foundation of our sustainability strategy. These principles are detailed in the Boskalis Code of Conduct and the Supplier Code of Conduct, and are based on international guidelines including the United Nations Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the conventions of the International Labour Organization. Both codes were recently updated and the Boskalis code is underpinned by key policies.



TIER 1. PURPOSE CORNERSTONES

SDG	AMBITION	SCOPE	TARGET
Industry, Innovation and Infrastructure	To create resilient infrastructure for trade, transport and society through our projects and services	Activities related to the maintenance and/or development of resilient maritime infrastructure such as ports, land reclamation for society and inland infra such as road-related developments	To create reliable and resilient trade- and transport-related infrastructure that supports socio-economic development and that is delivered by Boskalis using industry leading sustainability practices
Climate Action	Safeguarding people, nature and assets from the impacts of climate change through our projects and services	Flood protection-related activities for coastal/river regions at risk from climate change (extreme weather, flooding or rising seas)	Share our knowledge and explore new types of climate change adaptation project financing, to expand our capabilities and service offering to deliver profitable adaptation projects Incorporate sustainable solutions (low-carbon or nature-based solutions) into commercial offerings in climate adaptation market by 2023
Life Below Water	Preventing and reducing marine pollution of all kinds through our salvage business	Salvage (emergency response services, environmental services and wreck removal)	To prevent any oil (products), pollutants and/or hazardous cargo from salvaged vessels entering the marine and coastal environment
Affordable and Clean Energy	Playing an active role in making the delivery of affordable and clean energy possible and helping deliver the energy infrastructure that society needs while enhancing the competitiveness of our company	Offshore wind energy projects that help advance the energy transition, (natural) gas projects as part of the transition and all decommissioning-related activities	Expand and strengthen our market position, capabilities and service offering in renewable energy services to serve a wider range of clients and geographies, through profitable projects

TIER 2. SUSTAINABILITY FOCUS AREAS

TOPIC	AMBITION	SCOPE	TARGET
Climate Change Mitigation	Be an industry leader in carbon reduction and drive competitive advantage through our ability to offer low-carbon solutions for our clients	Carbon emissions of own operations (scope 1 & 2)	Net Zero by 2050
		Carbon emissions of supply chain (scope 3)	Instigate initiatives for scope 3 emissions reduction where feasible on the basis of impact and influence
		Own operations	Incorporate sustainable solutions (low-carbon or nature-based solutions) into commercial offerings
Biodiversity	To lead the industry in the development of nature-based solutions to protect and enhance coastal ecosystems, and to contribute through our environmental management approach	Own operations	To further develop our methodology to measure and manage our biodiversity impact through the application and evolution of our biodiversity framework To expand the knowledge base and commercial reach of our nature-based solutions
Social Impact and Local Communities	To respect and benefit the local communities where we operate	Own operations	To further embed our approach for social impact management in our organization through additional tools, training and awareness
Employee and Talent Development	To offer competitive working and labor conditions, interesting work, a culture of trust and recognition and opportunities to develop and grow	Own operations	Improve internal mobility and retention and review and refresh our approach to performance management and talent development
Safety	No Injuries, No Accidents based on a strong safety culture as our core value	Boskalis employees and subcontractors	Lost Time Injuries (LTI) = 0.0 Total Recordable Incident Rate (TRIR) = 0.0

STRONGER TOGETHER

Partnerships and collaboration are crucial to achieving our sustainability ambitions. By pooling knowledge and expertise, from both within our industry and outside the sector, we continue to create solutions that add value for the client as well as address environmental and societal challenges. By participating in research or collaboration projects with other players in the maritime sector, we increase the likelihood of new sustainable technologies, concepts or approaches being approved by legislators or brought to scale, enabling us to offer these solutions to our clients. Entering into dialog with both our external and internal stakeholders enables us to acquire a clear understanding of their expectations and interests and allows us to establish and better understand material topics. While we have a wide range of stakeholders, we see our key stakeholder groups as being: employees; clients and their respective project communities; suppliers and subcontractors; NGOs and civil society organizations; investors and shareholders. For each group, our engagement varies on a case-by-case basis and includes formal and informal channels that are used to varying degrees of regularity. On page 93 we have listed the stakeholder groups and summarized the channels we use to engage in dialog with them, alongside key topics discussed in 2020. Boskalis plays a significant role in a number of industry networks and their associated sustainability committees; the key triggers for our participation are to share knowledge in the sector and to use this knowledge to inform policy and future legislation. By joining with other companies in our sector we are better able to build alignment on new topics and approaches.

EU PLATFORM ON SUSTAINABLE FINANCE

Boskalis takes an active role in the EU Platform on Sustainable Finance that was established this year as one of the initiatives

within the EU Green Deal. For more details regarding this partnership and others, please refer to our website.

SUSTAINABLE INNOVATION

Boskalis aims to be a market leader in the provision of sustainable solutions for our clients. We focus on delivering innovative solutions that enable us, together with our clients, to improve environmental and social outcomes of our projects. This year we renewed our innovation strategy and established a more structured approach to sustainable innovation – innovation that helps us reach our sustainability ambitions. We established a stronger connection to the business units and defined innovation themes directly linked to our corporate strategy.

We recognize that innovation is just as much about the way we do things as about new technology. This new technology will be necessary to achieve our sustainable ambitions, but just as important are new ways of thinking and changed behavior. With the stronger connection to the business units enabled by the renewed strategy of our Research & Development department we are more likely to effect a fundamental change in our approach to sustainable business operations and the innovations that are needed to support that.

PORTXL

For the last five years, Boskalis has partnered with PortXL, a Dutch organization scouting and selecting innovative new companies that can serve the needs of the global maritime industry, bringing external innovation inside the company. For more details regarding PortXL and other sustainable innovations, please refer to our website.

WOW – OUR WAY OF WORKING

In order to integrate sustainable practices into our business, we develop and improve processes to manage our material environmental and social impacts and opportunities; for instance, through our Way of Working (WoW) quality management system, launched company-wide in 2017. With operational excellence as its main objective, WoW integrates health and safety as well as environmental and social responsibility. In addition to a thorough consideration of stakeholder interests, it is crucial for optimizing our tender and project processes. All key Boskalis business units are ISM, ISO 9001, ISO 14001 and ISO 45001 certified, a list of relevant certifications can be found on page 97.

At the heart of WoW is an internal online platform, the Navigator, which directs employees step-by-step through all processes, from approaching a client to completing a project, identifying actions to be taken and providing access to supporting documents. The platform is accessible to all, and shares best practices across divisions and projects.

This year, we integrated our Environmental and Social (E&S) Impact Scan and Stakeholder Toolkit into WoW.

The E&S Impact Scan identifies risks and opportunities associated with the potential impact of our operations on the environment and local communities. The scan supports the early recognition of opportunities and risks on environmental and social aspects associated with our intended designs and activities. By conducting the scan at an early stage we aim to effectively incorporate the findings into the project approach as well as improve allocation of resources from our in-house experts. By doing this together with strategic (local) stakeholders and partners, we increase the added

value and coverage of the scan as well as create support for the proposed solutions. The Stakeholder Toolkit is a workshop held at the beginning of each project with the project team to explore the local circumstances and define the stakeholder landscape. After revealing who could potentially be affected by our operations, appropriate actions are determined.

In 2020 we also focused on increasing staff awareness of our WoW system including:

CONNECTING IN DIFFERENT LANGUAGES

Available in seven languages and displayed in workplaces across the organization, a poster outlines the principles we uphold to reach our common goals using a clear and consistent visual language.

VISUALIZING THE PROCESS

To make WoW as transparent as possible for tender and project teams, a new roadmap complements the poster by providing a clear visualization of all the different tasks in each consecutive phase of the WoW approach.

BRINGING TRAINING ONLINE

Launched in December 2020, a WoW e-learning explains the basics of the program as a first-time introduction for employees, suppliers, subcontractors and other external stakeholders.



The BOKA Vanguard transporting a floating fish farm from China to Norway

INNOVATIONS AND PARTNERSHIPS IN ACTION

SAFETY



THE 'GO-BARRY' – A SELF-MOVING TRAFFIC BARRIER

Delivering substantial safety advantages for road workers, as well as improved traffic flow and time savings, the Self-Moving Traffic Barrier – or 'Go-Barry' to give it its commercial name – integrates several track-propelled undercarriages into an existing traffic barrier. Designed for roadwork situations, Go-Barry utilizes remote contact between a road worker and the barrier, enabling the barrier to be moved without human intervention. The innovation has attracted great interest from our clients; it was tested in a Proof of Concept at the end of 2020, and, incorporating lessons learned, a prototype will be tested in 2021.

REMOTELY OPERATED CUTTING TOOL

Traditionally, offshore platforms require pre-fabricated cutting platforms to be installed on each leg of the platform when the platform is dismantled at the end of a project – an expensive and potentially hazardous exercise. This remotely operated tool, due to be employed during upcoming decommissioning operations, not only represents significant cost savings, but makes a substantial contribution to the safety of our, and our clients' employees.

CLIMATE CHANGE MITIGATION



ZERO JIP

Coordinated by leading maritime institute MARIN, Boskalis is part of a Joint Industry Project to design, build and test a prototype Engine Room of the Future. The project's aim is to develop tools to design engine rooms that are based on new low- or zero-emission technology, enabling them to operate on fuels that have low- to zero-carbon emissions. Based on actual operational profiles, different configurations of power sources are being designed and simulated by computer models. The Engine Room of the future will be validated in MARIN's Zero Emission Laboratory and its digital twin virtual-ZEL. The project started in September 2020 and will have a duration of two years, with around 20 participants led by MARIN.

GREEN MARITIME METHANOL

As part of the Green Maritime Methanol Consortium, Boskalis is investigating the feasibility of methanol as a sustainable fuel for the maritime sector by taking part in a concept design study along with eight other selected companies. The project, supported by TKI Maritiem and the Dutch Ministry of Economic Affairs and Climate Policy, reached completion in December 2020, showing that while technically feasible, the use of methanol is not yet economically viable for retrofit in our vessels. However, the project is being extended for another two years, starting mid-2021, where the focus will be on new-build vessels.



BIODIVERSITY



GROW

GROW is a joint research program in offshore wind that initiates research and accelerates innovations. 2020 was the second year of our participation in the Gentle Driving of Piles (GDP) project, initiated in the GROW program to minimize the environmental impact of installing offshore wind platforms. Monopiles are the most commonly used foundations for offshore wind turbines; the dominant method for driving them into the seabed is hydraulic impact piling, or hammering, creating substantial noise and disturbance for underwater marine life, as well as damage to the monopile. Through the simultaneous application of different frequencies, the driving load and emitted noise can be substantially reduced. In addition, through the reduced costs for noise reduction measures, financial savings can also be made.

ECOSHAPPE

Boskalis has been a leading partner in the EcoShape consortium for over 12 years, developing and implementing innovative solutions for clients through the Building with Nature approach. In 2021 our focus will be on upscaling and mainstreaming these applications. See page 66 for full details.

ARTIFICIAL REEFS

In 2020, after extensive preparation, we launched a pilot project in Panama to test a new concept for artificial reefs. These reefs can be used as 'stand alone' habitats, to enhance biodiversity around the marine infrastructures we create, and as part of our coastal protection solutions. See page 66 for full details.



SDG CONTRIBUTION THROUGH OUR ACTIVITIES



24	CONNECTING THE SDGs
26	INDUSTRY, INNOVATION AND INFRASTRUCTURE
30	CLIMATE ACTION
34	LIFE BELOW WATER
38	AFFORDABLE AND CLEAN ENERGY

CONNECTING THE SDGs



The first tier of our sustainability strategy focuses on our four purpose cornerstones – the core areas of our business that create economic and societal value. Based on an SDG assessment our business interacts and contributes to several SDGs.

In 2015, the United Nations developed 17 SDGs comprising a common set of 17 goals and 169 sub-targets. The goals call for worldwide action among governments, business and civil society to end poverty, ensure prosperity for all and protect the planet. We aim to help realize these goals where we can through our business.

To identify which SDGs are most relevant to our activities and where Boskalis can contribute the most we completed an SDG assessment, using the approach of the SDG Compass, a guide for business action developed by the Global Reporting Initiative, the UN Global Compact and the World Business Council for Sustainable Development. In line with this approach, we determined the extent to which we can contribute to the SDGs and the risks and opportunities they can represent for us throughout our value chain. This included assessing the impact our activities could have on the SDGs and rating our contribution to each of the 169 sub-targets. As a result, five SDGs have been identified as being most relevant to Boskalis:

- SDG 7: Affordable and Clean Energy
- SDG 8: Decent Work and Economic Growth
- SDG 9: Industry, Innovation and Infrastructure
- SDG 13: Climate Action
- SDG 14: Life Below Water

MAPPING OUR SDG CONTRIBUTION BY REVENUE

For the purposes of measuring and reporting our contribution we mapped the Boskalis revenue to each cornerstone and the associated SDG. Based on this revenue mapping around 88% of our business activities contribute directly to one of the four purpose cornerstones and supports the aims of either SDGs 7, 9, 13 or 14.

In addition to these SDGs that are directly linked to our purpose cornerstones, we also contribute to SDG 8 represented by a total Group revenue of EUR 2.5 billion and our total employee base. Boskalis plays an important role in advancing SDG 8 through our contribution to an economy and the creation of jobs directly and indirectly through our projects and the supply chain. According to the International Labour Organization the foundation of contributing to SDG 8 is that the work and jobs created are productive and deliver a fair income, provide safety and security, offer prospects for development, allow freedom of expression and organization and equal opportunities and treatment for men and women. We pride ourselves on being a good employer, offering opportunities to develop and grow. We are committed to our human rights and labor principles as a fundamental part of the way we do business. We promote the same principles in our relationships with clients, suppliers and other business partners.

In mapping our positive impact through revenue, we recognize that managing negative impacts of our operations on the SDGs is equally important in our sustainability journey. We describe the work we are doing on this in more detail in other chapters of this report.

INDUSTRY, INNOVATION AND INFRASTRUCTURE	CLIMATE ACTION	LIFE BELOW WATER	AFFORDABLE AND CLEAN ENERGY
<p>Creating resilient infrastructure for trade, transport and society</p>  <p>We contribute through projects and services primarily related to the maintenance and/or development of maritime infrastructure such as ports, land reclamation for society and inland infra such as road-related developments</p> <p>In 2020, these accounted for approximately 41% of Group revenue</p>	<p>Safeguarding people, nature and assets from the impacts of climate change</p>  <p>We contribute through projects and services primarily related to adaptive measures against climate change such as protection of land from flooding, development of polders and dike-related activities</p> <p>In 2020, these accounted for approximately 7% of Group revenue</p>	<p>Preventing and reducing marine pollution through salvage</p>  <p>We contribute through projects and services primarily related to the salvaging of vessels and associated pollution prevention</p> <p>In 2020, these accounted for approximately 7% of Group revenue</p>	<p>Helping to deliver modern and cleaner energy infrastructure</p>  <p>We contribute through projects and services by making the delivery of affordable and clean energy possible including our renewables, (natural) gas and decommissioning-related activities</p> <p>In 2020, these accounted for approximately 33% of Group revenue</p>

Projects frequently contribute to multiple SDGs however in the revenue allocation to the above SDGs a project was attributed to only one SDG. The revenue for a project is therefore not counted double or split over more than one of these SDGs.

INDUSTRY, INNOVATION AND INFRASTRUCTURE

Our four purpose cornerstones represent the core of our business – what we do. They underpin our corporate purpose and have the potential to create value for both our business and society. We contribute to SDG 9, Industry, Innovation and Infrastructure by creating socio-economic value. This is our first cornerstone.



Ambition

To create resilient infrastructure for trade, transport and society through our projects and services

Scope

Activities related to the development and/or maintenance of resilient maritime infrastructure such as ports, waterways, land reclamation and inland infra such as road-related developments

Target

To create reliable and resilient trade and transport related infrastructure that supports economic development and that is delivered by Boskalis using industry leading sustainability practices

2020 Performance

- These activities accounted for 41% of our Group revenue
- See project examples on page 28



maintaining and developing port infrastructure that facilitates global trade and economic growth; reclaiming land from the sea, allowing new housing to be built in densely populated cities, as well as new commercial development for (air)ports boosting global connectivity; creating inland infrastructure for trade and transport leading to more efficient transport networks, helping reduce traffic congestion on roads, mainly in the Netherlands.

Developing and maintaining trade- and transport-related infrastructure continues to be recognized as an essential element in helping to accelerate progress towards achieving the SDGs, in particular SDG 9. Delivering climate resilient and sustainable trade- and transport-related infrastructure is an important way in which Boskalis can contribute to this goal. While our own project involvement is typically short and temporary, we make efforts to ensure that negative impacts are minimized and positive impacts are lasting. In addition to a number of more detailed project cases presented on page 28, examples of our projects in 2020 that deliver socio-economic impact include:

- An extensive greenfield port development project in Duqm, Oman, with the aim of creating a multipurpose commercial gateway to stimulate and diversify economic activity;
- The construction of the N69 provincial road between Eindhoven and Valkenswaard in the Netherlands – heavy traffic will no longer need to pass through villages, improving transport links and quality of life for residents;
- The reconstruction of the A16/N3 road connection in the Netherlands, improving traffic flow and safety in the region as well as accessibility;
- The deepening of the River Elbe, allowing it to accommodate larger container vessels with an anticipated efficiency improvement and positive impact on trade;
- Late 2020, Boskalis was awarded a very large land development project in the Philippines for the new Manila International Airport, bringing significant transport capabilities and associated socio-economic growth to the greater Manila region.

Trade and transport are central to socio-economic development and ending poverty. International trade and effective transport corridors enable countries to grow faster, innovate, improve productivity and provide higher income and more opportunities to their people. Integrating with the world economy through trade and global value chains helps drive economic growth and contribute to socio-economic development.

Executing hydraulic engineering projects for the developers of trade and transport infrastructure has been a core part of Boskalis for more than a century. Our activities in this area play a key role in supporting the socio-economic development of a region or country, contributing to the wellbeing of its occupants in a number of ways, including:



CREATING RESILIENT INFRASTRUCTURE

Makassar New Port: key logistics hub for eastern Indonesia

In 2019, Boskalis began dredging and land reclamation work for the extensive Makassar New Port venture on Sulawesi in eastern Indonesia. The construction of the port is a strategic maritime infrastructure project for the Indonesian government and designated as the gateway to the Eastern Indonesian Archipelago for international container carriers.

Makassar New Port will be a key logistics hub for Indonesia's eastern region, and will specifically improve the distribution of goods in Sulawesi, Maluku and Papua – the eastern half of the country, which is currently seeing rapid development. With increasing container traffic in recent years, the expansion of the Makassar New Port container terminal anticipates further demand, and should help minimize congestion, both on land and at sea, as seen elsewhere in the region. For more information on this project see page 71.

IJburg: creating space in densely populated Amsterdam

With much of the city center a nationally protected conservation area, the Dutch capital is extremely short of space for new homes, and with soaring house prices, houses in the center have become unaffordable for most people. Since 1999, Boskalis has been instrumental in the creation of IJburg, a new, largely residential neighborhood on the outskirts of Amsterdam built on a collection of artificial islands that have been raised from the IJmeer lake; the first residents moved in in 2002.

In 2015 we moved sand from the nearby Markermeer and the IJsselmeer to create 22 hectares of new land for IJburg's Centrumeiland, and in 2020 our project to realize the new 85-hectare artificial island, Strandeiland, was fully underway, and should be finished at the end of 2021. When complete, the IJburg neighborhood will provide some 18,000 homes for 45,000 residents with schools, shops, leisure centers, restaurants and a beach and provide employment for 12,000 people. With its mix of high-end floating homes, family houses and social housing, IJburg can be seen as a great Dutch example of an inclusive community.

New connections: the Fehmarnbelt tunnel between Germany and Denmark

Early 2020, Boskalis started dredging and land-creation activities for one of Europe's most important infrastructure projects of recent years – a tunnel under the Fehmarnbelt, a strait in the Baltic Sea connecting Germany and Denmark. At more than 18 kilometers, the Fehmarnbelt Tunnel will be the world's longest immersed road and rail tunnel, carrying a four-lane motorway alongside a twin-track electrified railway.

The tunnel is expected to bring both social and economic advantages to both countries. The Fehmarnbelt link means that motorists will save one hour on the journey and can travel whenever they want benefitting both the business and tourism sector. Rail passengers will benefit from more and faster trains, something that will also apply to domestic routes in Denmark where many commuters will enjoy shorter inter-city rail journeys.

“OUR ACTIVITIES PLAY A KEY ROLE IN SUPPORTING THE SOCIO-ECONOMIC DEVELOPMENT OF A REGION OR COUNTRY, CONTRIBUTING TO THE WELLBEING OF ITS OCCUPANTS”



CLIMATE ACTION

Our four purpose cornerstones represent the core of our business – what we do. They underpin our corporate purpose and have the potential to create value for our business and society. We contribute to SDG 13, Climate Action, by protecting against the impact of climate change. This is our second cornerstone.



Ambition

Safeguarding people, nature and assets from the impacts of climate change through our projects and services

Scope

Activities related to adaptive measures against climate change (extreme weather, flooding or rising seas), including coastal protection, development of polders and dike-related projects

Target

Share our knowledge and explore new types of climate-change-adaptation project financing, to expand our capabilities and service offering to deliver profitable adaptation projects

2020 Performance

- These activities accounted for 7% of our Group revenue
- See project examples on page 32



Sea levels are rising and extreme weather conditions increasingly impact people and assets, especially in coastal regions. Over one billion people live in flood-prone areas, their livelihoods threatened by rising sea levels and extreme weather conditions. Boskalis is a frontrunner in responding to this threat. With our activities in coastal defense and riverbank protection as well as the construction of polders, we can draw on more than a century of experience to provide innovative, sustainable solutions to contribute to SDG 13, Climate Action, and help protect the world's vulnerable areas from this accelerating threat.

CHALLENGES FOR CLIMATE ADAPTATION

Despite climate change rising up the global agenda, partly as a result of initiatives like the UN's Climate Change Conventions in Katowice (2018) and Madrid (2019), there are significant hurdles to be overcome before climate-adaptive solutions can be implemented and, importantly, scaled up. For example:

- Adaptive measures often lack sufficient revenue-generating capacity and return on investment for external financiers;
- Multilaterals and governments are unfamiliar with the development and integration of adaptation measures;
- Unpredictable climate change scenarios create long-term uncertainties;
- There is a lack of institutional frameworks for developing privately initiated adaptation measures.

BOSKALIS CLIMATE ADAPTATION WORKGROUP

In 2020, we formed an internal climate adaptation workgroup to address such challenges and to identify and accelerate opportunities that would both add commercial value for our business, and create sustainable protective measures for the environment and communities living in coastal areas. The workgroup combines disciplines such as legal, finance, commercial, technical and environmental, and proactively engages in dialog with external

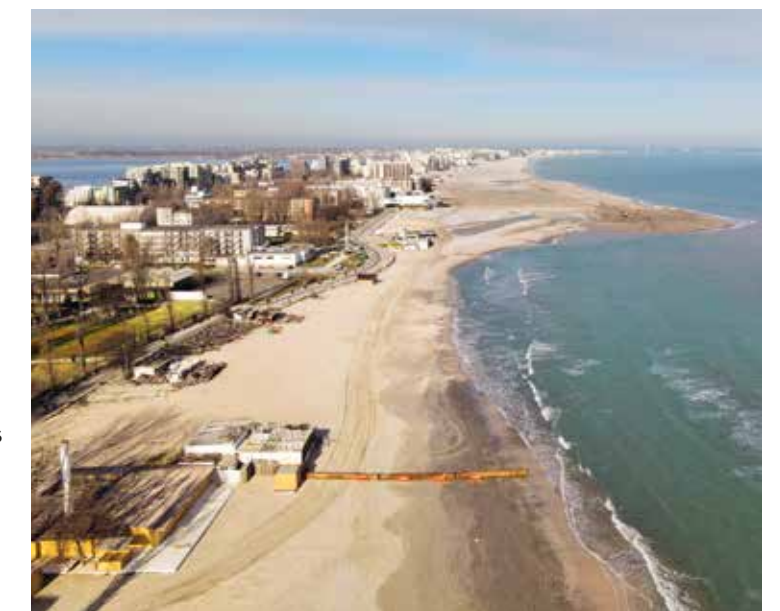
stakeholders such as governments and financial institutions as one way of identifying and overcoming the obstacles that currently prevent the implementation of climate-adaptive solutions.

So far, the workgroup has identified a variety of adaptation themes where Boskalis can add value, such as Soft Coastal Defenses, Polders & Pumping Schemes, Small Island States and Ecosystem Restoration. During the course of 2020, the group identified a range of tangible projects across these themes that deliver both social, business and environmental value. The project propositions explore innovative value propositions such as yearly fees for protection. They also introduce the possibility of new revenue streams such as carbon credits and include ways to improve biodiversity, local stakeholder engagement and living conditions. They also involve key decision-makers and look at ways to lower investment thresholds.

DELIVERY OF CLIMATE-ADAPTIVE PROJECTS

Boskalis is responding to the urgent need for new land at the water's edge by delivering projects together with our clients using a state-of-the-art fleet of dredging vessels, talented and dedicated professionals and specialized equipment. In addition to a number of more detailed project cases presented on page 32, examples of our projects in 2020 that respond to this include:

- A landmark project in Pulau Tekong, Singapore to create the first, protective polder in Southeast Asia, supporting the island state in its economic growth;
- Upgrading the existing coastal defense on Germany's East Frisian island Wangerooge, in the North Sea;
- The construction of the Dutch nature islands the Marker Wadden, that also provide a major boost to the ecological quality of the Markermeer lake;
- Reinforcing the Houtrib dike in the Netherlands between Lelystad and Enkhuizen to protect against potential flooding – this dike serves as flood protection for much of the Netherlands;
- In 2021 we will continue to explore the financing potential of climate adaptation solutions so we can continue to offer our clients financially viable sustainable solutions to the social and environmental challenges created by climate change.



CLIMATE ADAPTATION IN ACTION

Securing Southsea's Future

In 2019, Boskalis Westminster and joint venture partner Volker Stevin were awarded a contract by the Portsmouth City Council to construct a new coastal defense structure in Southsea, in the UK. The project is being managed by Coastal Partners, an organization of five local councils with coastal defense obligations. The Southsea Coastal Scheme is the UK's largest local authority-led coastal defenses project, and when the sea defenses are completed, around 2025, they will stretch for 4.5 kilometers and help reduce the risk of flooding to more than 10,000 homes and 700 businesses.

Paul Peters is an ecological engineer on the project: "Like many projects in the UK, ecological enhancement of the technical solution is an important topic for our client. Before we started, we presented a report that included suggestions for ecological enhancement as well as technical optimizations. These included tidal pools, oyster reefs, vegetated shingle beaches and carefully engineered pore sizes of the rock fill that would create niches for marine life to breed. After critical consideration, we advised our client that the tidal pools and vegetated shingle beaches were the most appropriate in terms of balancing ecological and commercial value."

A post-tender workshop was organized with the client late 2019 to further discuss these enhancements; other ideas included the beneficial reuse of dredged material and compound locations, taking into account local bird refuge areas.

The workshop and subsequent engagement with Coastal Partners and their designers has resulted in the use of tidal pools and the beneficial reuse of demolition and dredged material during the first phase of the project. This has laid a good foundation for us to continue to work together to bring environmental enhancements to the future phases of the project.

Boskalis is also actively pursuing opportunities for positive social impact in the area. We will engage with local schools on STEM-related (science, technology, engineering and math) activities, work with local charities, conduct regular beach clean-ups and employ local graduates and apprentices. A Public Liaison Officer will be recruited for a five-year period to work for the project and based primarily at the site liaison office to facilitate engagement and the sharing of information with the local community.

Romania: nature-based coastal protection

At the end of 2019, Boskalis signed a contract with the Romanian Water Administration for a coastal protection project at Mamaia, near Constanta. For this project Boskalis will dredge four million cubic meters of sand using a large trailing suction hopper dredger and replenish the beach over a length of seven kilometers to create a 100-meter-wide beach. This protection is aimed at reducing coastal erosion to maintain a safe coastline. Work commenced in late 2020 and will be completed mid-2021.

Hans van Itallie is project manager: "In the last decades port developments and works on the river Danube have impacted sediment drifts along the coast of the Black Sea, causing slow but steady coastal erosion. Future coastal developments, plus

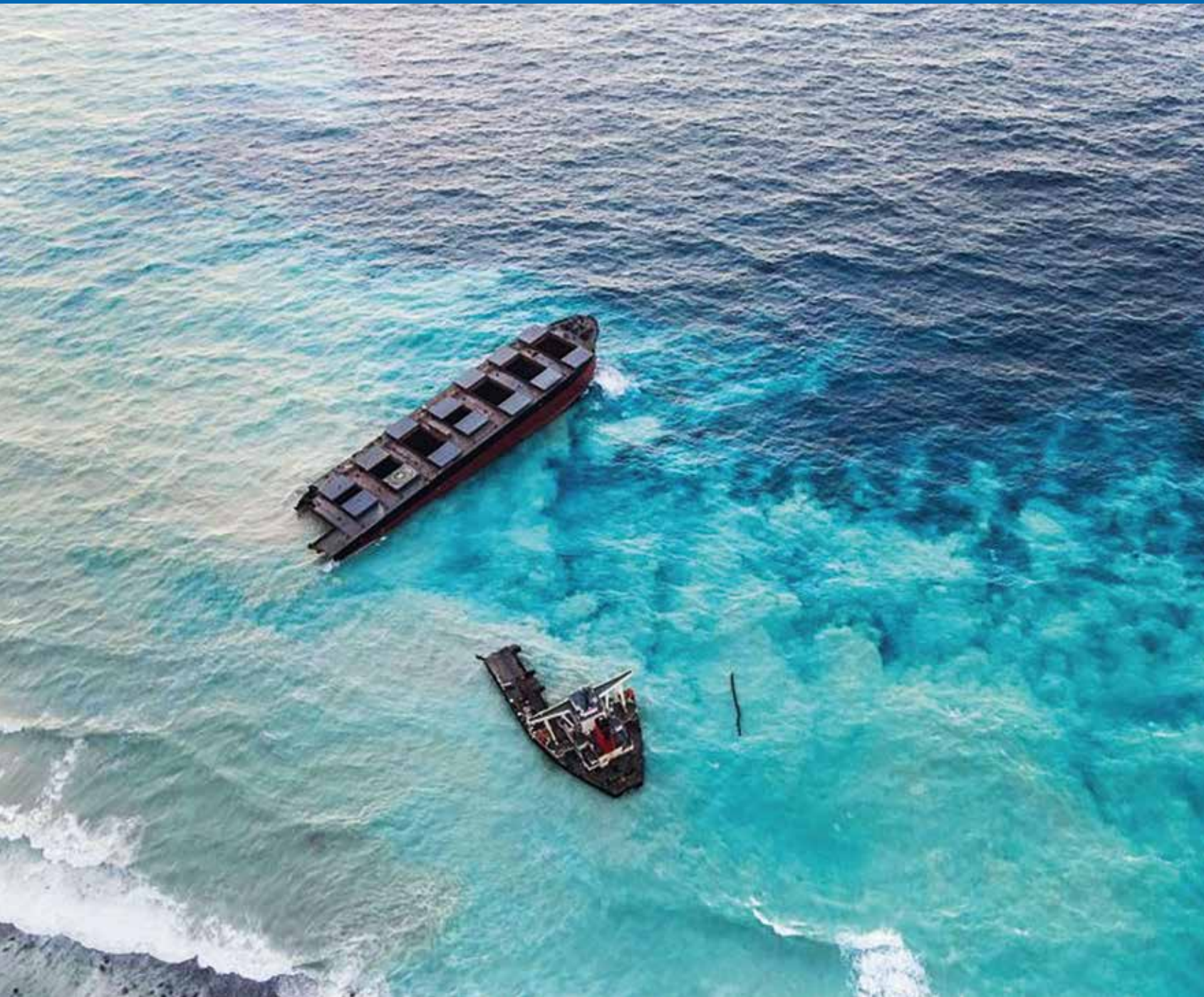
increased public and industrial demand on the coastal zone are expected to continue this trend, affecting the coastline's vulnerability. Our project aims to restore the balance along this beach by using nature's own protection, sand, while also minimizing the construction of fixed, hard structures. In addition to providing a strong and flexible coastal protection the use of sand creates a favorable habitat for local ecosystems, such as birds, shells and flora, which are being monitored through extensive campaigns prior, during and after our construction works."



“THE WORLD BANK HAS DETERMINED THE COST OF DAMAGES RESULTING FROM FLOODING TO BE 7 TO 10 TIMES HIGHER THAN THE COST OF ADAPTATION”

LIFE BELOW WATER

Our four purpose cornerstones represent the core of our business – what we do. They underpin our corporate purpose and have the potential to create value for our business and society. We contribute to SDG 14, Life Below Water, by protecting economic value and marine environments. This is our third cornerstone.



Ambition

Preventing and reducing marine pollution of all kinds through our marine salvage business

Scope

Marine Salvage (emergency response services, environmental services and wreck removal)

Target

To prevent any oil (products), pollutants and/or hazardous cargo from salvaged vessels entering the marine and coastal environment

2020 Performance

- These activities accounted for 7% of our Group revenue
- See project examples on page 37



Our salvage operations strive to protect vessels in distress and their cargo and to avert environmental damage to the marine environment. In this way the pollution prevention activities of our Salvage business contribute toward delivery of SDG Goal 14, Life Below Water. We provide marine salvage and wreck removal services for vessels all over the world. Operating from four strategic locations along international shipping routes – Houston, Cape Town, Rotterdam and Singapore, we can spring into action to help vessels in distress whenever, and wherever, we are needed. Vessels in distress or other damaged fixed or floating structures such as offshore platforms, may present an environmental hazard as well as an obstruction for other vessels. On average, our Emergency Response and Wreck Removal teams are called out to around 50 incidents a year. Over the last number of years, Salvage has on average had one case every five days and has prevented an annual average of nearly 400,000 tons of (refined) oil products and approximately 800,000 tons of hazardous cargo from spilling into our oceans and seas.

Wrecked or damaged ships can release oil, lubricants or other potentially harmful substances into the marine environment. We actively support ship owners, insurance companies, terminal operators and classification societies to help prevent incidents as far as possible. When an incident does occur we aim to minimize spill damage by removing or containing the pollutants. We do this by providing emergency towing assistance, re-floating grounded vessels and removing polluting cargoes or fuel. Our salvage plans include steps, actions and alternatives on the most effective measures to avert damage to the vessel, its cargo and the environment. Due to the dynamics of continuously changing circumstances and time pressures inherent to salvage operations, such plans are often founded on the best available information at hand and expected developments. Authorities or the client often have the ultimate authority and decision-making power on which subsequent action is pursued.

In addition, together with our R&D department we are looking into innovations that will speed up pollution recovery and wreck removal to minimize environmental damage. These include jet packs and drones, which were recently successfully employed during a salvage operation in Mauritius. Remote assistance has numerous benefits including the safety of our own staff and a faster response time improving our ability to succeed in our salvage efforts.

Our advanced technology and expertise can remove hazardous substances such as heavy fuel oil from wrecks and we boast a longstanding successful track record in salvaging vessels and platforms under challenging circumstances. We are also conducting R&D to prepare for a future when vessels are expected to run on increasingly low-carbon fuel. This requires a different approach towards salvage operations, including altered equipment and new protocols to govern it.

We can apply complex interventions, such as removing potentially polluting cargoes and bunker fuel from casualties and wrecks at great depth. We are experts at 'hot tapping' to gain access to pollutants and to cleanly and safely remove them by drilling into the vessel from outside the hull. We can also use probes to extract pollutants that might need heating to liquefy them in the cold surroundings of the deep ocean.

We are a member of the International Salvage Union and the P&I (Protection and Indemnity) organization; in both arenas we leverage our substantial knowledge in the areas of both salvage operations and marine biodiversity to raise the issue of environmental damage higher up the agenda.



“OUR SALVAGE OPERATIONS STRIVE TO PROTECT VESSELS IN DISTRESS AND THEIR CARGO AND TO AVERT ENVIRONMENTAL DAMAGE TO THE MARINE ENVIRONMENT”

SALVAGE IN ACTION

Drones used in salvage operation on Mauritius

On 23 July 2020, the Japanese bulk carrier *Wakashio* hit a coral reef off the coast of Mauritius and soon began leaking oil into the Indian Ocean. Following severe weather conditions the vessel broke into pieces within a matter of weeks. Our salvage team succeeded in removing around 3,000 tons of fuel under extreme weather circumstances. Thanks to our efforts, we prevented approximately 85 percent of the bunker fuel on board from entering the ocean; however, an estimated 800 tons of fuel still

leaked into the ocean, causing environmental damage to that part of the coastline.

Richard Robertson, General Manager Salvage in Cape Town: “With a team of thirty people, we took every opportunity to get the remaining oil off board as quickly as possible. It was a race against the clock, first complicated by COVID-19 and subsequently by bad weather, high waves and shallow depth. On days when the weather was favorable, we brought a vessel alongside for pumping; when the weather was bad, we pumped the oil to large barrels on deck and removed those by helicopters. In close cooperation with local people and the government of Mauritius, we managed to get most of the fuel off the vessel safely.”

With the inevitable breaking up of the vessel, a further disaster was looming. If the large bow section of the vessel would separate from the grounded stern section, the bow would float to the coast and cause further damage to the reef and shoreline. It was therefore crucial to establish a towline connection. This connection was established by the salvage team with a waterproof ‘splash drone’. “The difficult conditions made it impossible to use our traditional compressed air raffle approach,” says Richard. “The drone was used to hand a line to our colleagues on the *BOKA Expedition* vessel, some 30 meters in front of the Japanese carrier. This was our first ever drone assisted towline hookup. With the bow safely connected to the *BOKA Expedition*, we were able to transfer the bow section of the vessel to a safe location, preventing any further damage to the coastline.”

Complex salvage operation: the *New Diamond*

The salvage operation of the very large crude carrier *New Diamond*, which suffered an explosion and fire in its engine room in September off the coast of Sri Lanka, was one of our most complex projects of the year, according to Operations Director Salvage, Berend Jan Zonneveld: “The tanker, some 300 meters long, was on its way from Kuwait to Sri Lanka with a cargo of 275,000 tons of crude oil when there was a fire in the engine room. As the combined coastguards of Sri Lanka and India launched a firefighting operation, we immediately started to prepare a rescue. We mobilized several firefighting vessels, and, anticipating international COVID-19 regulations, put together a large, international salvage team from our branches in South Africa, Singapore and Rotterdam. Our priority was to make sure the vessel remained intact and afloat, and to stop the spread of the fire, which could otherwise have caused major environmental damage.”

Once the fire had been extinguished, we towed the vessel to an anchorage near the port of Kalba, in the UAE; pumping equipment was mobilized from the Boskalis distribution center in the Netherlands. “Salvage divers checked the condition of the hull and made necessary repairs,” explains Berend Jan. “An oil screen was placed around the ship to prevent environmental damage as a result of leaks. After our naval architects developed a pumping plan, the specialist ship-to-ship transfer of the cargo to two tankers commenced in November.”

Thanks to the motivation and perseverance of our 30-strong salvage team, and other colleagues who worked on these extensive operations, the salvage operations came to a successful completion early 2021.

AFFORDABLE AND CLEAN ENERGY

Our four purpose cornerstones represent the core of our business – what we do. They underpin our corporate purpose and have the potential to create value for both our business and society. We contribute to SDG 7, Affordable and Clean Energy, by facilitating the delivery of this energy. This is our fourth cornerstone.



Bokalift 1 decommissioning and removing platforms in the North Sea

Ambition

Playing an active role in making the delivery of affordable and clean energy possible and helping deliver the energy infrastructure that society needs while enhancing the competitiveness of our company

Scope

Offshore wind energy projects that help advance the energy transition, (natural) gas projects as part of the transition and all offshore platform decommissioning activities

Target

Through profitable projects, expand and strengthen our market position, capabilities and service offering in renewable energy and serve a wider range of clients and geographies

2020 Performance

- These activities accounted for 33% of our Group revenue
- See project examples on page 40



Access to lower-carbon energy is considered a global imperative for sustained socio-economic development, contributing to SDG 7, Affordable and Clean Energy. Facilitating access to this energy is part of achieving this goal.

We play an important role in delivering low-carbon solutions such as wind energy and are one of the leading players in the offshore wind market. We have a strong and successful track record in transporting and installing offshore wind farms, mainly relating to foundations and cables.

At Boskalis we see that a transition to cleaner energy is driving growth in renewables, but for the foreseeable future, meeting this growing energy demand will need a range of energy sources and dependence on fossil fuels is expected to stay in the short-to mid-term. We foresee that natural gas in particular, with its lower carbon intensity, will serve as an important transition fuel. We see an important role to contribute by providing our services as part of the energy transition. This includes services such as survey, IRM, seabed intervention, offshore transport and installation and dredging-related activities.

In addition, our decommissioning activities help reduce the environmental footprint of the offshore oil and gas industry, ranging from preparation and removal of offshore platforms to onshore disposal and recycling.

Besides a number of more detailed project cases presented on page 40, examples of our projects in 2020 in terms of offshore renewables, gas and decommissioning-related activities include:

- Constructing a two-kilometer gas pipeline connection from an onshore power plant in El Salvador to an offshore Floating Storage and Regasification Unit, including the mooring and hook-up. This project will contribute to the diversification of the country's energy mix;

- Winning the contract for the seabed preparation of the Fécamp wind farm offshore Normandy, France, expected to provide enough electricity to meet the power needs of 770,000 people;
- Installing rock on the seabed that will serve as scour protection for the 640 MW Yunlin offshore wind farm, eight kilometers off the west coast of Taiwan, contributing to the country's transition to cleaner energy;
- Executing the dredging scope for the development of the first large-scale LNG export facility in Kitimat, Canada – as well as boosting the economy the project furthers the development of new skills, training and jobs for the Canadian and indigenous workforce;
- Dismantling three platforms in the North Sea for Neptune Energy and completing the Viking Vulcan 2020 campaign with the Bokalift 1.

TWO-FOLD APPROACH

Driven by the need to reduce energy-related CO₂ emissions to limit climate change, as set out in the Paris Climate Agreement, we see our role in accelerating the energy transition as two-fold. On the one hand, as part of our core business, we deliver a broad range of services to the energy sector, in particular to the fast-growing offshore wind market. On the other hand, we take a proactive approach to increasing energy efficiency, reducing energy consumption across the breadth of our operations and innovating for sustainable change with the ambition to be climate-neutral by 2050. With over 100 years of maritime contracting experience, technical expertise and specialist knowledge, we also see some clients are turning to us for advice in realizing their own shift to cleaner sources of energy in their supply chain. Our own emissions and the initiatives to reduce these are covered on pages 56-61.

NEW ENERGY SOURCES WITH LONG-TERM POTENTIAL

Other, cleaner energy sources look promising in the long term, especially tidal and hydrogen. Hydrogen is still not sufficiently available to be commercially viable, but we are participating in studies with the North Sea Energy Initiative and with TU Delft. Though still early days, we see many opportunities to contribute through the construction of maritime infrastructure ranging from offshore islands to pipelines. In addition, energy companies in Europe are currently piloting projects to test the feasibility of producing hydrogen from the electricity generated by offshore wind farms. Research is also growing into tidal energy as the technologies to harness wind and tidal energy are similar.



ENERGY TRANSITION IN ACTION

Taiwan: the launchpad for Bokalift 2

In the course of 2020, Boskalis commenced preparatory works on the Changfang and Xidao offshore wind project in Taiwan. This project will also be the launching project for our new Bokalift 2 crane vessel. In a similar way to the successful Bokalift 1 that has been deployed on offshore wind projects in Europe, Boskalis is in the process of converting an existing hull to create the Bokalift 2. This DP2 vessel has accommodation for 150 people, will boast 7,500 square meters of free deck space and a 4,000 ton revolving crane capable of lifting structures more than 100 meters high. The Bokalift 2, like its forerunner, will be a flexible, value-adding asset, well-positioned for the installation of current and future generation offshore wind turbine foundations

as well as oil and gas structures. It represents an opportunity to expand our footprint even further in the Asian renewables market; it can also serve the decommissioning and salvage market.

We will also deploy the multipurpose DP2 construction vessel Boka Tiamat on the project in Taiwan. The vessel has been retrofitted with a 1,300 kW SeaQ Energy Storage System, which will reduce fuel consumption and emissions during DP operations.

Kincardine floating wind farm

Boskalis has won a contract to transport and install five floating wind turbines for what will be the largest operating floating wind farm in the world, Kincardine, off the coast of Scotland. The project, for Cobra Wind International Ltd., is Boskalis' first floating

wind farm project. We are transporting and installing the five turbines 15 kilometers off the coast of Aberdeen where they will be anchored at a depth of 60 to 80 meters.

In September 2020 the project started with the installation of anchors and chains on the seabed for which we deployed a heavy anchor handling tug. Meanwhile, the first floating foundations were transported from Ferrol in Spain to Rotterdam, on board our semi-submersible barge Fjord. The wind turbines were mounted on the floating foundations in Rotterdam before being towed to the wind farm. The benefits of floating wind farms include the ability to install them in much deeper water than fixed farms, therefore opening up many new prospects. The size of the floating offshore wind market is expected to grow substantially as costs are

predicted to drop, making this an economically attractive alternative. As this market becomes more established, floating wind farms could represent significant new business opportunities for Boskalis.

Research into the ecological effects of offshore wind farms

Boskalis is part of a consortium of players in the Netherlands conducting research into the impact of offshore wind farms on sand waves and the ecological systems they support. "If we understand the behavior of these sand waves," says Thomas Vijverberg, Deputy Manager Hydronic at Boskalis, "we can better manage impacts our operations may have on marine ecosystems."

Rising demand for energy and the trend towards renewables is fueling a predicted growth in offshore wind farms. Given that the average lifetime of a wind farm is 30 years, incorporating knowledge of seabed dynamics into the layout of cables and foundations can add long-term environmental and economic value.

To gain such knowledge, Boskalis is involved in a research project together with partners such as the University of Twente, Rijkswaterstaat (the executive agency of the Dutch Ministry of Infrastructure and Water Management), Dutch research company Deltares, and the North Sea Foundation. Under the name 'Footprint,' the project kicked off at the end of 2020, and will run for three years and be supervised by scientists from the Royal Netherlands Institute of Sea Research (NIOZ).

"Sand waves are simply waves of sand on the seabed. But they can be up to two meters high and 100 meters long, and they can travel. If we know how they behave it will add to our understanding of the morphological and ecological systems where our projects are located" Thomas explains. "This will not only improve our risk assessments, but help us determine our work methods in environmentally sensitive areas. It will also be useful in advising policymakers or clients where wind farms can best be placed, with the least ecological impact."

“RISING DEMAND FOR ENERGY AND THE TREND TOWARDS RENEWABLES IS FUELING A PREDICTED GROWTH IN OFFSHORE WIND FARMS”



CARE FOR OUR PEOPLE



We work in challenging locations on complex, technical and demanding projects. We rely on our team of dedicated, experienced professionals to achieve our ambitions. That is why we are committed to creating a diverse and inclusive workplace that challenges and inspires our employees to build their careers and achieve their potential with Boskalis. The wellbeing of our employees is a top priority and we are proud that our long-standing No Injuries No Accidents (NINA) health and safety program continues to deliver quality results and ongoing improvement in our safety record.

RISKS AND DILEMMAS

- Recruiting and retaining qualified, talented individuals globally
- Ensuring workplace safety

OPPORTUNITIES AND GOALS

- New markets can be targeted for recruitment
- Offer an inspiring and challenging work environment
- Provide a safe and healthy environment for our employees and subcontractors

SDGs identified by Boskalis that are closely related to topics covered within 'Care for our People':



HEALTH AND SAFETY

AMBITION

No Injuries, No Accidents, based on a strong safety culture as our core value

SCOPE

Boskalis employees and subcontractors

TARGET

No Injuries, No Accidents, represented by Lost Time Injuries Frequency (LTIF) = 0.0

Total Recordable Incident Rate (TRIR) = 0.0

2020 PERFORMANCE

- New safety leadership training
- NINA e-learning
- 10-year NINA anniversary
- LTIF 0.05
- TRIR 0.32



A NINA workshop session on one of our vessels

NO INJURIES, NO ACCIDENTS

Safety remains a top priority in everything we do. We want our people and the people we work with to return home safely every day. To help us achieve this goal we developed our No Injuries, No Accidents (NINA) safety program 10 years ago. One decade on, our Total Recordable Injury Rate (TRIR) has dropped to 0.32 and our Lost Time Injury Frequency (LTIF) to 0.05, thanks to the sustained commitment of our employees. In 2020 we saw a slight increase in the LTIF, however, we see the overall amount of recordable incidents (TRIR) continue to decline. Since 2010, more than 17,000 people have undertaken a NINA training.

BEHAVIOR-BASED SAFETY PROGRAM

NINA makes people more aware of their own responsibility towards safety and stimulates a working environment in which safety, responsibilities and potentially hazardous situations are openly discussed and reported. We help keep safety top of mind through regular staff engagement activities and training at all levels. This year, we talked to some 600 employees about their needs and concerns around safety and this dialog showed us again that safety is first and foremost about behavior. As a result, we implemented tools that, for example, help employees to communicate effectively with stakeholders, and our trainings and workshops include behavioral aspects. This emphasis on behavior helps implementation to be long-lasting and not just rule-driven. Our operations are where the NINA program is most evident. At the start of a project, employees, subcontractors and client

representatives receive an interactive NINA induction session, a rule-based safety training and a NINA start-up, challenging everyone to think about the health and safety risks associated with that project. On longer projects there are refresher and reflection sessions, NINA Workboxes on different topics that are introduced where there is a need – on Lifting & Hoisting for example, or on Mooring. We also hold evaluation sessions, or ‘NINA moments’. Our NINA trainers regularly travel to projects all over the world to ensure the NINA program is embedded throughout our operations and our NINA tools are available in 20 languages. In 2020 we added two new elements to our NINA program:

E-LEARNING

A NINA e-learning was introduced at the beginning of the year to create general safety awareness and introduce participants to the safety culture of Boskalis; it explains what is expected as safe behavior and invites everyone to contribute and to take responsibility for their own safety. This new online tool is particularly valuable to our flexible workforces, subcontractors and third parties. The e-learning, which is now compulsory for third parties, will fill in any gaps if trainers are unable to reach a location; it proved particularly useful during the pandemic.

NEW SAFETY LEADERSHIP TRAINING

NINA maintains an ongoing focus on safety leadership. In 2019 the focus was on senior management and this effort will continue

for our Dredging & Inland Infra business, but in 2020 we extended the scope to include operational middle management. We added personal development goals and an ‘expedition training’ carried out in close collaboration with a project and addressing a particular safety challenge of that project. Operational middle management will remain the focus of our safety leadership program in 2021.

In addition, we introduced a card game, the NINA team game, that challenges players’ responses to particular safety issues. We also introduced a coverall with the NINA logo printed on the lower part of the left sleeve to remind the wearer of their own responsibility for safety at work.

The adaptability of the program to a diverse range of situations, including offshore and dredging, as well as across other Boskalis staff, subcontractors and new partners, has proven to be a powerful tool for improving effectiveness and collaboration. For example, we have successfully rolled out NINA within Gardline and received a ‘best in industry’ rating from Maersk, Exxon Mobil Houston and Shell Canada. In this way, we are able to develop a shared language and understanding of health and safety across our whole workforce.

A core part of NINA is SafeMind that focuses on human behaviors such as working on autopilot or making assumptions. SafeMind is directly connected to the YES scan, a practical tool that helps people reflect on possible safety issues for ‘Yourself, Equipment and Surroundings’ each time they start work.

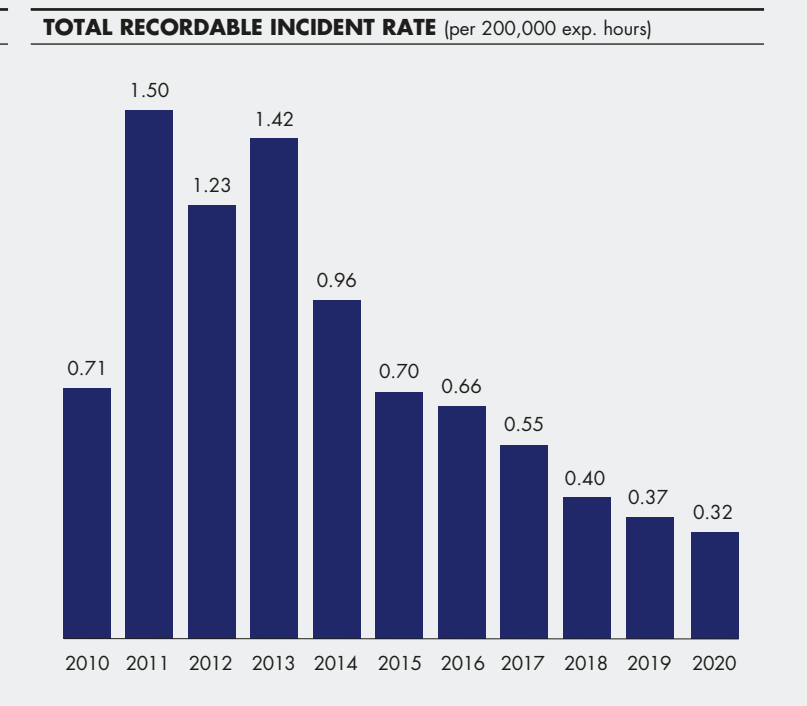
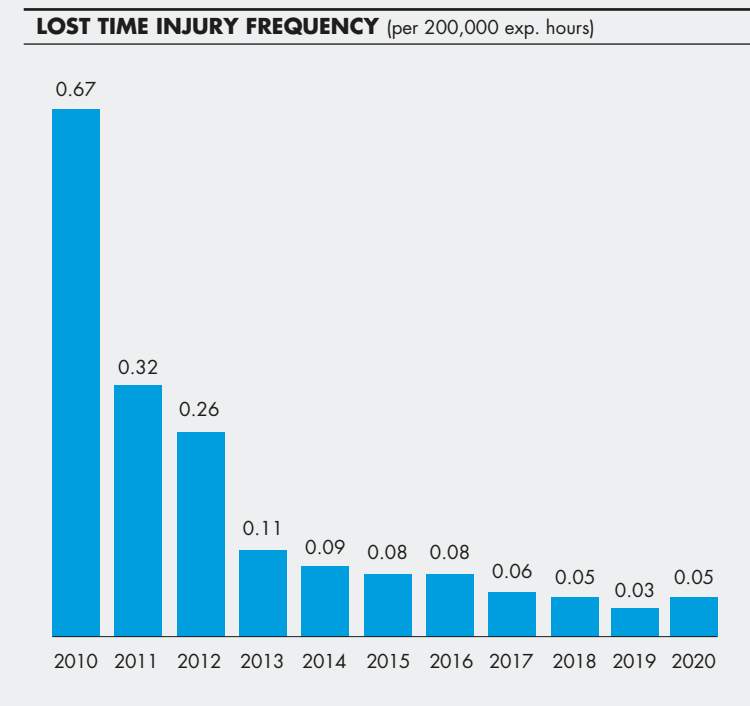
PREVENTION OF OCCUPATIONAL AND OTHER DISEASES

We aim to ensure and safeguard healthy working conditions for our employees on projects, vessels and in our offices. We have integrated occupational health into our NINA program via the Fit for Duty statement and consolidated our eight Fit for Duty policies into one.

To mitigate risks, we have vaccination, medical check-ups and tailored prevention programs in place. Our Emergency Response Team can offer rapid response in the event of a health crisis (for information on their activities during the COVID-19 pandemic, see page 10). The team comprises employees from our corporate SHE-Q and human resources departments, as well as medical specialists from our Travel Clinic in Rotterdam. Our prevention officer maintains a network of supporting experts, including company doctors, human resource professionals, domestic and overseas social workers and links within the internal Workers Council.

10 YEARS OF NINA

In 2020 we celebrated one decade of NINA. We are immensely proud of NINA, which has helped drive improvements in our safety culture and performance, as illustrated in our key performance indicators below. During this 10-year period we have given safety training to 17,000 people, including our employees, client representatives and subcontractors.



THE NINA PROGRAM: A CLIENT'S PERSPECTIVE

**"BOSKALIS HAS A
STRONG PROFESSIONALISM,
AND A DEDICATION
TO DO THE RIGHT THING"**

Brad McFadzean
LNG Canada

Early 2021, Boskalis completed a three-year dredging project for the development of a liquefied natural gas (LNG) export facility in Kitimat, Canada. Our health and safety program NINA (No Injuries, No Accidents) was implemented by Boskalis and its subcontractors throughout the three seasons of the project's duration. We spoke to LNG Canada's Brad McFadzean, HSE lead, and Sander Oerlemans, Contracts Manager, about their experiences with the program.

"A lot of companies have safety programs," says McFadzean, "but they are often very similar. What impressed me about NINA is that it isn't just a list of rules to be learned and implemented, it's not a 'box' that people have to fit in to, but there is a lot of room for discussion and team activities – adapted for COVID-19 of course. It provides a solid framework, but it doesn't dictate. Boskalis makes sure that all subcontractors work to the same standard, rolling out full-day NINA workshops. Each project team, or group, operates according to the same NINA values, but is challenged to come with their own goals and ways of achieving them. I think because everyone develops these together, there is more 'buy-in', people are more engaged."

Both Oerlemans and McFadzean admit that there were challenges in the first season. "With all the different subcontractors – there were around 30 in total – it was going to be difficult to develop a shared culture and vision," explains McFadzean. "But over time," adds Oerlemans, "as we were encouraged to listen to each other, the relationships strengthened and so did the culture. By season three, one of the goals set was to continue this relationship building because it was so effective." Oerlemans adds that part of the power of the NINA program is its visibility: "The first thing you see when you walk into an on-site Boskalis office is a life-size cut-out of 'NINA', it's the same on all units."

Almost inevitably during a three-year project, there were incidents. Oerlemans was impressed by Boskalis' transparent reporting culture. "That really is the way for an organization to learn and develop. This transparency is powerful and it's something that we promote and encourage with all contractors on our site, including our own organization." McFadzean agrees: "Boskalis has a strong professionalism, and a dedication to 'do the right thing'."

One of the program's most effective tools for reducing incidents, says Oerlemans, is that, "It goes much deeper than incidents and procedures, it's about behavior," adding that he was impressed by the close links with head office. "If an incident occurs, head office will send support immediately, either in the form of an expert who can help out, or an appropriate tool or training."

LNG Canada is a joint venture composed of Royal Dutch Shell, Petronas, PetroChina, Mitsubishi and Korea Gas Corporation.

TALENT MANAGEMENT AND ENGAGEMENT

AMBITION

To offer competitive working and labor conditions, interesting work, a culture of trust and recognition and opportunities to develop and grow

SCOPE

Own operations

TARGET

To improve internal mobility and retention, and review and refresh our approach to performance management and talent development

2020 PERFORMANCE

- Improved personal development programs and learning management processes
- New engagement and support strategies responding to COVID-19
- 52,356 Training hours
- Percentage staff turnover 13%
- New Human Rights and Labor Policy



COVID-19

2020 has delivered unique challenges for Human Resources within Boskalis. The coronavirus required the immediate attention of our HR department when the global spread became evident in March, and we quickly developed a range of initiatives to optimize not only the wellbeing of our employees, our first concern, but also the continuity of our business practices. These initiatives were developed and broadened as the pandemic continued (see page 10 for details).

OUR APPROACH

At Boskalis, our people are our most important asset and their wellbeing is our number-one priority. We are committed to creating the conditions they need to reach their full potential. Our global team of dedicated, experienced professionals is a main differentiator in achieving and maintaining our competitive advantage. In view of this, recruitment, retention and development of excellent staff is one of the main elements of our business and our sustainability strategy.

COVID-19 forced us to alter our priorities in 2020. However, we continued to refine our human resources agenda for the coming years based on the outcomes of our 2019 Employee Engagement Survey. One of the survey's main findings was that employees feel a great deal of pride in the company and passion for their work.

They indicated a strong interest in sustainability, which led us to intensify our efforts and communications around the updated sustainability strategy as an important cornerstone of the corporate business plan. We also introduced new tools to assist employees with more clarity and support around career paths and opportunities, a need indicated by the survey. These are further outlined below.

ATTRACTING TALENT

The race to attract and retain the right talent was particularly intense in 2020 as the pandemic limited our access to people with the strategic competencies we need to expand our horizons in growth areas such offshore energy. After a brief halt to our trainee program at the beginning of the pandemic, we resumed our activities to successfully create a pool of new trainees whose profiles match the strategic workforce plan of our Employer Brand Campaign, launched in 2019. We have continued to evolve our recruitment process to attract the next generation of engineers and specialists, recognizing that innovation and sustainability resonate with the talented individuals we want to join our organization. This year we welcomed 1,752 new colleagues.

Alongside our digital campaign, we have always maintained a campus recruitment approach to hiring trainees who are graduates of both academic and vocational universities, inviting them to our campus in Papendrecht as part of in-house days. These give prospective employees the opportunity to get to know the company and find out more about what working for Boskalis involves.

This year, in light of the pandemic, we moved these activities online, creating 'e-house' days instead of in-house days, and promoting them through social media. By digitally interacting with potential new employees, we were able to conduct conversations with candidates from all over the world, broadening our reach and our access to strategic competencies. We expect to keep this element in our approach to recruitment, developing a hybrid of online and face-to-face hiring opportunities. This year's digital events, like our events in Papendrecht and in universities, focused on specific themes, such as sustainability and innovation.

INTERNATIONAL RECRUITMENT AND RETENTION

As the proportion of our international employees continues to grow, we have strengthened our familiarization program. This is designed to ensure that those moving to the Netherlands from abroad receive the support they need, including finding suitable housing, handling work visas, and help settling into a new community. We are furthermore increasingly trying to retain good local employees with a project contract tenure beyond the duration of that specific project. These colleagues are often keen



YOURIZON – OUR NEW INTERNAL NEWS PLATFORM

Yourizon is a new internal news platform that was introduced in February 2020. The online platform was developed with the intent of making it easy to share interesting Boskalis developments with colleagues around the world, in part in response to one of the 2019 Employee Survey findings.

The name Yourizon is a direct reference to the Boskalis mission of Creating New Horizons, but it can also be read as 'your eyes on' Boskalis, and that is exactly the goal of this platform. Yourizon is a way to share our successes and experiences with each other and to make it clear how our strategy is being implemented. The platform complements the internal media in place such as Cohesion, Yammer and Bokanet. With the benefit of hindsight, the timing was perfect as Yourizon served as an ideal tool to communicate internally throughout the COVID-19 pandemic. Since its launch more than 350 news items have been posted and the platform has received more than 175,000 views.

In 2021, the communications team behind Yourizon will look to implement a mobile app version and further increase the cohesion and proud feeling about Boskalis among colleagues.



A WORLD-CLASS WORKPLACE

In January 2020, Boskalis was recognized by Effectory, a leading provider of employee engagement solutions, as a World-class Workplace. This award is given to companies based on their employee survey score. Boskalis scored higher than the global benchmark average based on the global employee survey of 2019.

to continue to work for Boskalis on subsequent projects in that part of the world. Our employees and agency staff can mobilize from their home and deploy to a project anywhere in the world. However we also take steps to invest in their sense of belonging to Boskalis, for example by ensuring that project managers and HR staff meet them regularly and create space to build trusting and open relationships.

EMPLOYEE ENGAGEMENT

In 2020, with so many of our employees working at home, or away on ships for longer periods than usual due to the COVID-19 travel ban, we undertook a range of initiatives to keep our employees motivated and engaged, listed below. Details of all these initiatives can be found under the special COVID-19 section of this report on page 10; they include online trainings, the Vitality Portal, remote leadership modules, COVID-19 survey, COVID-19 test street, the Stay Connected activity program and live event.

INTERNAL MOBILITY & DEVELOPMENT

A key theme for our employees, which we translated into our strategic human resources plan, was a desire for more career development opportunities. In 2020 we set ourselves the target of improving internal mobility and retention, and reviewing and refreshing our approach to performance management and talent development.

As a result, we created development tracks for employees involved with primary processes, giving them a clear overview of the opportunities available. We also introduced a 360 Feedback form; the feedback obtained can be used in combination with or in addition to other new HR tools we created in 2020 such as the Personal Development Plan (PDP) and the new Development Framework.

The PDP is a way of exploring and developing employees' skills and talents; the aim is to make a mid- or long-term plan for an employee's development and personal growth.

The Development Framework is an initiative we introduced this year to assist employees who are specifically looking to add to their current skill-set. For those who want to progress in their careers, we are developing talent management programs on all levels. As well as personal leadership skills and function-specific capabilities, the programs will have a strong focus on soft skills.

The Development Framework currently outlines four tracks: Commercial, Tender, Engineering and Project & Operations;

tracks for Fleet Management and Finance will be added in 2021. Each track has four different levels. We encourage employees to use the framework in close consultation with their manager and HR, in order to explore their possibilities, choose their direction and determine their own path. The Boskalis Development Guide will support employees in their further career path.

In addition, our Structural Based Learning allows employees themselves to indicate their interest in a particular role and request appropriate training. We also hold internal career markets every year where employees can, for example, participate in workshops that help them to define their ambition and profile themselves.

In 2020 we also redesigned and simplified our approach to Performance Management (PM). Human Excellence is one of the three pillars of our Business Plan and our redesigned approach to PM supports this pillar with its focus on talent development and engagement. The redesign is based around the idea that employees take the lead in their own development and that PM conversations focus on one or two themes directly related to development. The PM process will be simpler, easy to use and administer, and support effective dialog. The improved system was finalized at the end of 2020 and went into pilot in a few selected projects in early 2021.

SUSTAINABLE EMPLOYABILITY

Supporting the continued employability of our employees is an important theme for our business and our employees. We do this by helping to enhance staff skills for the future and by looking at ways to keep people healthy, safe and motivated through to their retirement. We aim to create an environment in which people stay committed and connected. We encourage employees to shape their own career and, if necessary, retrain for a position that is fitting in their stage of life. For instance, through our training and development programs, employees can request to be trained for a different or less physically demanding job.

At Boskalis Nederland, the SamenFIT (FIT Together) program that was launched in 2017 is now a well-integrated concept. In 2020 our COVID-19-related Vitality Portal (see page 10) added some important elements to Boskalis' greater goal of contributing to the health and wellbeing of our employees. In the past years a main focus of the SamenFIT program was the health of our older employees in the field, which has resulted in a significant decrease in sickness absence.

WAVEJUMP INNOVATION CHALLENGE

Periodically, Boskalis launches its Wavejump Innovation Challenge (WIC), an opportunity for our ingenious employees to develop their innovative ideas and inventions. The initiative provides a mechanism for Boskalis to develop solutions to the challenges our teams face on projects in the field. Not only is this an excellent platform for employees to share their ideas, but it also means we will have a more powerful offer to make to our clients, and help us manage the impact of our work on the environment. In 2020 we realized two of the seven shortlisted ideas from 2019: a remotely operated cutting tool and a self-moving traffic barrier.



POOL MANAGEMENT 2.0

To drive engagement and development opportunities in our workforce, Boskalis started its Pool Management 2.0 management process in our Dredging & Inland Infra division in 2019. Designed to ensure that all projects in that division have the 'right people in the right place at the right time,' it became living proof during the course of 2020 of our commitment to drive engagement and development opportunities.

Pool Management 2.0 involves skilled professionals in our Dredging division who can be deployed on a particular project according to the demands of the business and the project. One of its leading goals is to put more focus on the individual deployment and development of colleagues. Previously, business units that wanted to staff a project were assigned colleagues from a central Human Resources pool of some 200 people. Now, this large pool of superintendents, project engineers, works managers and project managers is split into smaller groups, so that more specific attention can be given to the ongoing development of each individual colleague. As part of Pool Management 2.0, each business unit is assigned a Business Unit Representative, usually someone with hands-on project experience, who can liaise between head office and the project teams. Now, members of the project

teams always have a 'go-to' person to help them with access to training courses, career advancement opportunities or just be there to discuss their own individual development.

The Boskalis Project Professionals (BPP) program is a 'fast-track' program set up to give young superintendents and project engineers an opportunity to accelerate their development, since there can be a considerable age difference within a project team. The BPP program emerged from an analysis conducted in the context of Pool Management 2.0 and aims to raise the standard for the younger generation faster, not least because Boskalis' projects are becoming increasingly large and complex.

Bas Tromp is superintendent with the Romania Beach project team. "When you are starting a new project, as we are doing now in Romania, good guidance from head office is important. In the 'old' system, I didn't consult head office very often, but now we have been allocated a Business Unit Representative those contacts have become much more intensive. It's good to have an experienced colleague as a sparring partner! Also, at the end of a project, my BUR plays a major part in the assessment process, and it has become more serious and detailed. We now have a better grip on the process."

DIVERSITY AND INCLUSION

Boskalis is proudly Dutch in its origins but with its global operations is an international employer; this has opened up opportunities to attract talent from around the world.

We actively seek out the best talent to keep us at the forefront of our industry and one of our challenges in the coming years will be to keep finding, and retaining that talent. We work to ensure that Boskalis is a company that is attractive to the most talented individuals, at every stage of their career, from graduates to skilled and experienced specialists. Recognizing the importance of diversity and the role of unconscious bias, in 2020 we developed an Objective Assessment model for trainees, setting profiles based on competencies without prior knowledge about the applicant.

We are a truly international team, with employees of over 84 different nationalities. We are also well-balanced in terms of our age profile. 73% of our employees are under 50, with 59% in the 30-50 age range. As a result, we have a good distribution of career opportunities, from junior through to senior positions.

The employee population of Boskalis, partly due to the nature of the business activities, is predominately male, especially in the core processes on the fleet and in the projects. Our male to female ratio of 86:14 remained the same in 2020 compared to 2019. In our head office, the amount of women increased by 3% points in 2020 with a male female ratio of 71:29.

The nature of our work means that a very high proportion of our staff is project-based, or is on vessels. Many of our trained technical, financial and maritime staff work on projects in remote locations for long periods of time. The ratio of operational staff (fleet, yards and projects) to management and office support staff is 65:35. The majority of our managers and support staff is based in our head office in the Netherlands.



The importance of diversity is reflected within our Human Rights and Labor Policy. We do not accept discrimination in the workplace, and we have a strong practice throughout the organization of equal opportunities for all, regardless of race, color, nationality, ethnic background, age, religion, political opinion, gender, pregnancy, sexual orientation, marital status, disability, trade union membership, or any other characteristic protected by applicable law.

RESPONSIBLE LABOR PRACTICES

All over the world our employees devote a considerable amount of their time, knowledge and expertise to Boskalis. It is therefore our responsibility to comply with applicable national and international employment laws and standards, including respecting the conventions of the International Labour Organization.

We respect our employees' right to freedom of association and the right to collective bargaining. We collaborate with the Dutch Works Council and the trade unions and endorse the guidelines of the OECD Guidelines for Multinational Companies. Through our Supplier Code of Conduct, our strategic suppliers are required to observe fair labor practices.

Of our 6,137 employees, 39% are covered by a Collective Labor Agreement. This covers most of our crews and project staff. Corporate and operational staff are covered by separate agreements, reached in consultation with the employee representation bodies. We have a Boskalis pension plan and information on this can be found in our 2020 Annual Report under 'Defined benefit pension plans'.

CONTRACT TYPE AND STAFF TURNOVER

The majority of our employees (2020: 83%) are on a permanent appointment, and of this core staff many have a long tenure with the company. Staff turnover for employees with a permanent contract decreased in 2020 to 13.0% and 7.6% in the Dutch organizations, compared with 13.0% and 10.4% in 2019. This year we welcomed 1,752 new colleagues (1,118 new hires and 634 due to acquisition) and 1,427 employees left Boskalis. Of these, 407 employees left due to voluntary termination or retirement. The other 723 jobs were discontinued due to projects or contracts coming to an end. Both inflow and outflow figures are lower than in 2019, impacted by the effect of the pandemic and the uncertainties in the job market.

For projects, we supplement our workforce with staff drawn from a flexible shell. Depending on the project requirements, these employees are hired locally where possible or appointed on a temporary contract. In most cases, such contracts are discontinued on project completion.



STAYING CONNECTED LIVE

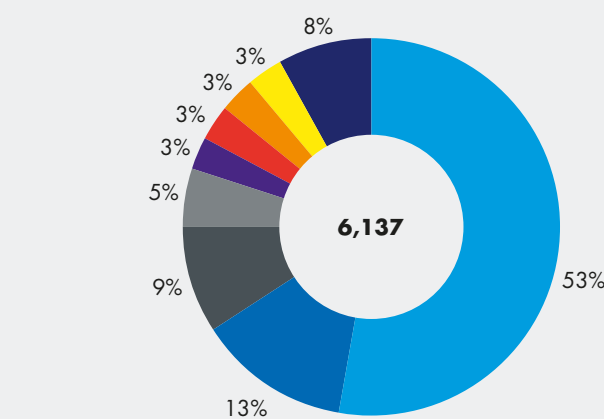
Working remotely changes the way we connect with each other. Employees remain connected to their own department, but less with other departments and Boskalis. By initiating the online Stay Connected activity program, employees are able to keep in touch with colleagues through online 'contact moments' associated with regular activities at a social distance, such as team outings, festive days and beach clean-ups.

The highlight of the program so far was the Staying Connected live event organized in the summer of 2020. Employees who normally worked in Papendrecht and were working at home – and missing live contact with colleagues – could register for a breakfast, lunch or afternoon drinks session with their team, socially distanced of course. Two marquees were erected on the campus for the purpose, with a maximum of 30 people at one time. The reaction was overwhelming. Within days, all sessions were fully booked and the event was extended for a number of extra days. In total, 1,700 employees attended the event.

BOSKALIS WORLDWIDE CONNECTED

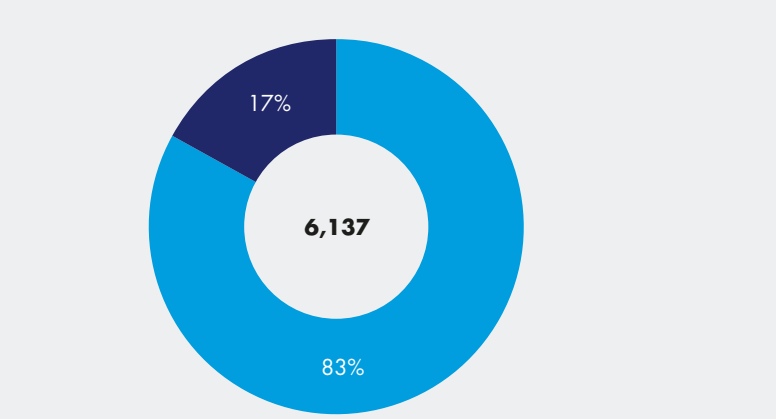
Just before Christmas 2020 around 4,500 colleagues and their family members in more than 60 countries tuned in to the six-hour long Boskalis Worldwide Connected radio show. The focus was on staying connected, having fun and raising money for charity. Boskalis donated an amount of money for every listener and each contribution from employees to the radio show. The event was a mix of interviews, quizzes, live links with colleagues on vessels and projects, and the Board members took turns in the studio to add to the fun and interaction. Boskalis Worldwide Connected, which raised EUR 50,000 for Save the Children, was a great way for employees to enjoy some festive fun and connect with their colleagues.

EMPLOYEES BY COUNTRY



- Netherlands
- United Kingdom
- United Arab Emirates
- Germany
- Cyprus
- Singapore
- Lithuania
- Finland
- Other

TYPE OF EMPLOYMENT CONTRACT



- Permanent appointment
- Temporary appointment

MANAGING OUR IMPACT ON THE ENVIRONMENT



As a leading dredging and offshore contractor, we are keenly aware of the value of biodiversity and healthy ecosystems to society as a whole. We understand that it is essential to reduce and mitigate our impact to improve and maintain the health of our oceans, rivers and wetlands. We are also conscious of the need to reduce the carbon emissions from our operations and are moving forward on the topics of cleaner fuels, energy efficiency and carbon offset, also through our commercial offerings and collaborative efforts, as key elements in our journey to net zero.

RISKS AND DILEMMAS

- Unknown pace of development and costs for new low-carbon technologies
- Some clients focus on price as sole selection criteria
- We have no, or very limited, influence on infrastructure investment decisions
- In the absence of regulations, voluntary use of costly alternative environmentally friendly fuels creates a competitive disadvantage, unless clients are prepared to pay a premium

OPPORTUNITIES AND GOALS

- Global knowledge exchange and collaboration opportunities
- Opportunity to build on several years' experience in biofuels and the Building with Nature approach
- Potential to differentiate through delivery of low-carbon solutions to clients
- Growing global awareness of the value of environmental management
- Increasing demand from clients to reduce and mitigate impact

SDGs identified by Boskalis that are closely related to topics covered within 'Managing our Impact on the Environment':



CLIMATE CHANGE MITIGATION

AMBITION

To be an industry leader in carbon reduction and drive competitive advantage through our ability to offer low-carbon solutions for our clients

SCOPE

Carbon emissions of own operations (Scope 1 & 2)

TARGET

- Net zero by 2050 in our own operations
- Scope 3 emissions: to instigate initiatives for reduction where feasible on the basis of impact and influence
- Incorporate sustainable solutions (low-carbon or nature-based solutions) into commercial offerings

2020 PERFORMANCE

- Scope 1 and 2 CO₂ emissions 973 MT ('000)
- 80% of tenders in the Netherlands include Sustainability measures
- Update of Supplier Code of Conduct
- New Environmental and Social Policy



Our target of being climate neutral by 2050 across our global operations contributes to the ambitions of the Paris Climate Agreement. With this goal, we aim to maintain our position as an industry leader in emissions reduction and drive competitive advantage through our ability to offer accessible, low-carbon solutions to our clients in our commercial offerings.

Climate change and its consequences are increasingly urgent topics for our sector and society. At Boskalis, we contribute to greenhouse gas emissions mainly through our fleet operations, which account for around 99% of our Scope 1 and 2 CO₂ footprint – in 2020 this amounted to 0.97 million MT.

OUR CARBON EMISSIONS

Across our fleet we saw CO₂ emissions reduce by 12% in 2020 compared to 2019. The total Scope 1 and 2 CO₂ emissions of the Group amounted to 0.97 million MT compared to 1.11 million MT in 2019 and 1.18 million MT in 2018.

Part of our total emission reduction can be attributed to the new MARPOL Annex VI amendments on sulphur limits which came into force on 1 January 2020 and the lower CO₂ emissions associated with the elimination of Heavy Fuel Oil (HFO) for all vessels. For our Offshore Energy division, our fleet CO₂ emissions in 2020 were 0.54 million MT, a 23% decrease over 2019 when the figure was 0.7 million. In addition to the elimination of HFO, the reduction is mainly due to the reduced overall occupation of vessels, particularly of long-distance towage tugs and T-class plus the Transshelf in lay-up.

In 2020 our dredging fleet CO₂ emissions dropped 2% from 0.44 million MT in 2019 to 0.43 million MT. The change is influenced by fluctuations in the utilization of our hopper and cutter dredgers in 2020.

We do not report the emissions from Towage as this business has been incorporated in joint ventures. The emissions from our Salvage operations are not reported in our Scope 1 and 2 CO₂ emissions, we rely on vessels from the other divisions or third party assets for these services.

CARBON DISCLOSURE

We disclose our climate change impact through CDP, a global non-profit that runs the world's leading environmental disclosure platform. CDP drives companies and governments to reduce their greenhouse gas emissions, safeguard water resources and protect forests. In 2020 we improved our rating to a B- rating, which is substantially higher than our previous rating and the current industry average (D).

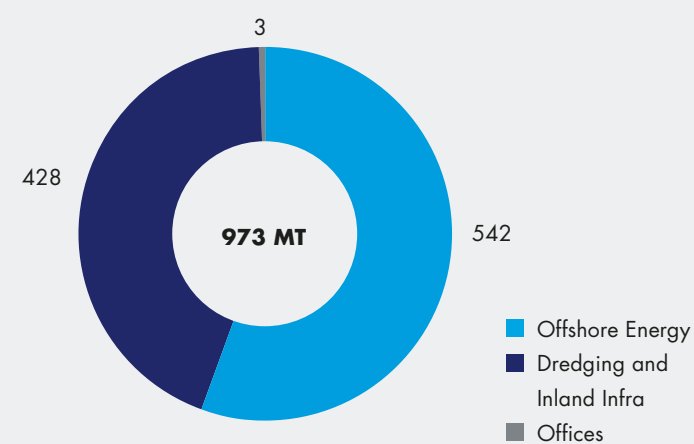


SOLAR PANEL SAVINGS

In 2020 we installed more than 5,350 solar panels on the roof of our distribution center in Vlaardingen, the Netherlands, generating 1.6 million kWh of green electricity a year – 15% of our total energy consumption in the Netherlands. This makes the center CO₂-negative, generating more electricity than it consumes.

We have also started installing solar panels on our campus in Papendrecht and are investigating options for further upscaling. Solar panels on the offices of Boskalis Westminster in the UK saved around 15.5 MT of CO₂ emissions in their first 12 months, equivalent to 700 trees.

2020 SCOPE 1 AND 2 CO₂ (Metric Tons '000)



	FLEET FUEL MGO MT ('000)	ELECTRICITY KWh (million)	OFFICES GAS Mj (million)	CO ₂ 2020* MT ('000)	CO ₂ 2019* MT ('000)
Dredging & Inland Infra	133			428	441
Offshore Energy	169			542	667
Offices	–	3	5	3	2
Total	302	–	–	973	1,111
CO₂ MT ('000)	970	2	1	973	1,111

* For the method used to convert fuel to CO₂, see page 89 of this report.

EMISSIONS REDUCTION PROGRAM

The activities of our Emissions Reduction Taskforce, which are overseen by a member of our Board of Management, focus on five distinct areas within our CO₂ Emissions Reduction Program:

- Fuel efficiency – economically feasible technical measures and measures to influence behavior on ships and on shore;
- New energy sources – researching, investigating, piloting and scaling sustainable fuels and energy sources;
- Carbon offset and credits: exploring options for offset and preparing for potential future carbon markets;
- Trends, regulations and collaboration – working with others and keeping a close eye on emerging regulations and future trends in low-carbon shipping;
- Commercial offering – raising awareness of our solutions and making it simpler for our clients to select lower-carbon options for their projects.

FUEL EFFICIENCY

In 2020 we started to develop dashboards for our vessels to improve awareness among crew members and to ultimately help drive down fuel consumption and CO₂ emissions. These dashboards display the fuel type and related emissions as well as the impact of vessel speed on total emissions. This will result in more accurate reporting; we are also looking at ways to monitor our vessels remotely.

This year we completed research into the emission reduction potential of different vessels and documented the carbon advantage; in specific cases, modifying the shape of the hull can cut fuel consumption by as much as 18%. Other improvements include using different coatings or reducing the water ballast on our vessels; even the polishing of propellers and hulls can reduce emissions by up to 8%. In 2020 we ran trials with water injection which reduced emissions of nitrogen oxide and soot. We also trialed Selective Catalytic Reduction (SCR); in 2021, partly as a result of this trial, we expect to be able to reduce nitrogen emissions by nearly 90% by installing SCR technology on two of our trailing suction hopper dredgers.

We continually optimize vessels' performance and efficiency through automation, of dredge pumps for example, and explore new technologies in the market on an ongoing basis. Early 2021 we added a multipurpose DP2 construction vessel Boka Tiamat to our fleet, which has been retrofitted with a Energy Storage System; this will reduce fuel consumption and emissions during DP (Dynamic Positioning) operations.

NEW ENERGY SOURCES

Boskalis continues to research alternative fuel types – ultimately, cleaner fuels will be the biggest enabler of global, sustainable business practices. However, since their use at scale is dependent on availability, economic feasibility and emerging technologies, they remain a mid- to long-term option. For now, light drop-in biofuels – blends of biofuel and marine gas oil – have proved

their technical viability and can be used on many of our vessels, representing a significant reduction in emissions. 'Heavy' biofuels, which need to be heated, are an effective alternative for larger vessels and we proved the technical viability of using 100% heavy biofuel on a dredger. Currently, these heavy biofuels are only economically viable in Northwest Europe.

We are part of a global initiative looking at the potential of hydrogen for the shipping industry, as well as a joint industry project, Green Maritime Methanol, which explores the possibilities methanol could hold for the industry. Since it is widely available, methanol could represent an interesting fuel for new vessels that have been built to accommodate it. Further, in 2020 we became part of a joint academic and private sector consortium, Clean Shipping, led by TU Delft. The research will advance knowledge for the scaling of sustainable biobased value chains for maritime biofuels.

EXPLORING CARBON OFFSET – BLUE CARBON

As part of our actions to develop a low-carbon future for Boskalis we actively investigate sustainable options for offsetting residual emissions and preparing for potential future carbon markets. Early 2020, we signed a new collaboration agreement with Wetlands International, the global NGO dedicated to safeguarding and restoring wetlands, to carry out studies into the feasibility of developing 'blue carbon' opportunities.

Blue carbon refers to the (organic) carbon stored in marine and coastal ecosystems, mostly mangroves, salt marshes and

seagrasses. This type of coastal vegetation reduces the energy flow of the water and dampens waves and currents. As a result, any floating biomass or suspended sediment, with its associated carbon, is deposited onto the seabed where it is trapped under further layers of sediment, creating carbon storage, known as a 'carbon sink'. The biomass of the vegetation itself (leaves, branches, stems) is added to the mix. If these ecosystems are disturbed however, this stored carbon is rapidly released into the atmosphere.

Our first focus in this project has been to combine our own expertise and knowledge with that of Wetlands International to identify locations with significant blue carbon wetlands, explore climate change policies and start business case development. Next steps will be to join forces with specialists in carbon project development and finance. We will explore ways of conserving, restoring and constructing these 'blue carbon wetlands' with the potential to generate carbon credit, to offset Boskalis' residual emissions and to explore the creation of carbon-balancing options for clients.

Safeguarding, restoring and creating mangroves and other blue-carbon ecosystems has the added benefit of enhancing biodiversity both above and below the water. Mangroves are typical nurseries for fish and crustaceans, a plus for local fishing activities, and they are home to a rich diversity of birds and reptiles. Mangrove zones hold the potential for a nature-based solution to help counter the threat of rising sea-levels, storms and floods associated with climate change. Mangroves can also sustain employment, livelihoods and human wellbeing and as

such are important for local communities. In our blue carbon collaboration we strive to maximize these climate, community and biodiversity benefits.

TRENDS, REGULATIONS AND COLLABORATION

We see collaboration with our clients and the sector as a whole as essential in keeping abreast of the latest knowledge and maintaining our position as industry leader in emission reduction. Working with other companies and organizations both inside and outside our sector is crucial to finding ways to mitigate the effects of climate change, as well as how to make them economically viable. Fuel types and technology – two of the main enablers in driving down emissions, are the topics of much of our industry collaboration.

Our strategic partnership with GoodFuels/Wärtsilä led to our Boskalis on Bio program, which delivered a world first for us when our Willem van Oranje became the first dredging vessel in the world to operate on 100% bio-fuel oil, allowing a 90% carbon reduction. In addition to the collaborations mentioned earlier in this section, we are currently running a joint industry project with MARIN to develop tools to design engine rooms based on low- or zero-emission technology.

Some of the main organizations we collaborate with on the topic of carbon reduction with the aim to deliver low-carbon solutions for our clients include: IMCA (International Marine Contractors Association), EuDa (European Dredging Association), MARIN (Maritime Research Institute Netherlands) and ERDA (Energy Research and Development Administration).



COMMERCIAL OFFERINGS

Boskalis aims to incorporate sustainable and low-carbon solutions into commercial offerings, supporting our clients to deliver sustainable projects. In our domestic home market of the Netherlands, Boskalis' Netherlands (BKN) is taking major steps in proposing and successfully incorporating low-carbon solutions in our projects as described on this page. In 2020 80% of BKN tenders involved a sustainability component. The tenders varied from small-scale infrastructural tenders (EUR 500,000) to tenders

of EUR 200 - 300 million, of which over 90% were climate-related. On successful tenders, such as the Reinforcement Zwolle – Olst, we typically work with our client to develop a sustainability plan, not only on emissions but also on other relevant sustainability topics such as biodiversity and circularity. As a result of our experience in the Netherlands, we are building commercial sustainability expertise to apply in other markets and geographies. The carbon reduction measures we can apply depend on the project but can be summarized in three main categories:

DESIGN

Reducing the total energy needed to deliver the project by optimizing the design and reducing the use of materials.

LOW-CARBON FUELS

Using lower-carbon energy sources such as biofuels, as well as machinery and facilities that run on (renewable) electricity.

ENERGY EFFICIENCY

Efficient use of energy, such as employing state-of-the-art machinery and behavioral training for our drivers, crews and design engineers.



IJBURG

In 2020 Boskalis created a 85-hectare artificial island, Strandeiland IJburg, on the edge of Amsterdam. Biofuel was employed on one of the vessels used for the project, the Rhenus, allowing the project to achieve its goal of a 10% reduction in CO₂ emissions. In addition, both the Rhenus and the Zijpe were rebuilt, resulting in a reduction in nitrogen oxide emissions of 90%.

The island was made by transferring sand through underwater and floating pipelines from the nearby Markermeer and building it up in some 15 layers; three breakwaters were also built. The projected date for completion is end 2021, and the island will accommodate around 6,200 new homes as well as an artificial beach and a recreational area.

MAASMOND

On behalf of the Port of Rotterdam Authority and Rijkswaterstaat, Boskalis started work in early 2020 on maintaining the depth of the western part of the Rotterdam port under a contract that is initially for three years. Subject to the client approving our proposals for the improvement of the overall sustainability of the project, the contract may be extended for another three years.

The high fuel efficiency of the 4,500-m³ trailing suction hopper dredgers Strandway, Causeway, Freeway and Shoalway, enables Boskalis to meet the environmental requirements and conditions of

the contract. This is one of the first large Dutch dredging works to include a significant sustainability component. The application of additional measures including the use of biofuels is under review and the installation of the efficient Selective Catalytic Reduction filter systems is planned. The project expects to dredge some 27 million m³ in the next three years. In parallel to the execution of the dredging work a joined innovation room is set up with the client where innovations that can further reduce the carbon footprint and optimize the Life Cycle Cost can be tested and trialed.

BRABANT, THE N69

In 2020 Boskalis won the tender for an EUR 80-million project to build 'the greenest road in Brabant', which will connect this southern Dutch province with Belgium. On completion, scheduled for end 2021, the N69 will have saved 20% of CO₂ emissions, against the design reference. Boskalis realized this reduction by, for example, using recycled materials in the asphalt, and replacing some of the concrete in the tunnels with a water-resistant foil that substantially reduces carbon emissions. But the client was also looking for innovative solutions; as part of this same project, Boskalis will build the first (cycle) bridge in

the Netherlands to be made from 100% geopolymers concrete, a material that relies on minimally processed natural materials and industrial byproducts to reduce the carbon footprint by almost 70% over traditional concrete. The material is also highly resistant to many common concrete durability issues. This demonstrates Boskalis as a frontrunner in its innovative approach to carbon-reductive infrastructure.



BIODIVERSITY

AMBITION

To lead the industry in the development of nature-based solutions to protect and enhance coastal ecosystems, and to contribute towards the Sustainable Development Goals through our environmental management approach

SCOPE

Our own operations

TARGET

- To further develop our methodology to measure and manage our biodiversity impact through the application and evolution of our biodiversity framework
- To expand the knowledge base and commercial reach of our nature-based solutions

2020 PERFORMANCE

- Establishing two biodiversity-related collaborations with international NGOs
- Developing our biodiversity framework
- Building with Nature program investment
- New Environmental and Social Policy



Biodiversity, the diversity of life on earth, is critical for a healthy environment and is a priority for Boskalis. Considerations on the protection of biodiversity are incorporated into our environmental and social risk management processes. For example, where our activities occur close to critical habitats of biodiversity importance, we apply appropriate precautionary management and mitigation measures. We invest in research and development, ways of working and collaboration to help protect and enhance biodiversity and ecosystems.

Depending on the locations and type of work, our activities can impact individual species as well as habitats. The most significant biodiversity pressures related to our business are:

- suspended sediments/water turbidity;
- the modification, fragmentation and/or loss of habitat;
- the introduction of invasive species;
- pollution from waste or spills.

ENVIRONMENTAL MANAGEMENT MEASURES

We aim to avoid, reduce or mitigate negative biodiversity impacts related to our operations. During project implementation we adapt and optimize our working methods to align with the local situation and sensitivities, and to apply our Environmental and Social Policy available on our website.

Boskalis has a zero oil spill ambition and we maintain 14001 ISO certification across our business units. We also embed environmental considerations into our Way of Working quality management system.

Our fleet management system ensures that we apply required environmental management measures on board our vessels. Some of our technical teams are actively involved in defining these measures at a global level through organizations such as JIPs, CEDA, PIANC, EuDA. These measures cover ballast water management for example, vessel waste management and prevention measures against spills and other pollution. Our fleet management system ensures vessels are in compliance with relevant regulations such as the IMO Ballast Water Management Convention and IMO MARPOL Convention Annex VI.

We also actively seek opportunities to make a positive contribution to the conservation, restoration and enhancement of natural environments. We do this through the provision of nature-based infrastructure solutions, as well as through delivery of restoration projects such as the Marker Wadden (see page 31) which our understanding of marine ecosystems makes us well-equipped to undertake. We continue to invest in the development of new technologies and work methods and to build an environmental mindset with our teams, project owners and stakeholders. Depending on the project type and scope of works for the contractor we can also offer our Building with Nature (BwN) approach. BwN constitutes an innovative and holistic approach to hydraulic engineering that departs from the dynamics of natural systems in the design phase. This approach benefits the environment, economy and society.

A summary of the measures we take to help avoid, reduce or mitigate the impact of our activities on the environment are given on the page opposite.

MAIN BIODIVERSITY PRESSURES

TURBIDITY

Our activities can create a sediment plume. The reduced light penetration and sedimentation may impact sensitive species or habitats in the footprint of the plume.

HABITAT LOSS OR DISTURBANCE

Dredging, land reclamation or installation of offshore structures typically removes or disturbs the seabed habitat or species living in and around the project footprint.

INTRODUCTION OF INVASIVE SPECIES

Many of our ships carry ballast water to improve stability and balance. The discharge of ballast water can be associated with the introduction of invasive species that may impact the natural ecosystem and affect biodiversity.

WASTE AND SPILLS

Our activities produce waste as well as having the potential to release polluting effluents, such as fuel, into the environment.



Relocating coral reefs from Gulhifalhu to near the resort island of Funarafushi, Maldives

ENVIRONMENTAL MANAGEMENT OPTIONS

EVALUATION OF ENVIRONMENTAL RISKS

We study the situation and environmental sensitivities to determine the project-related environmental requirements. Each project is different due to its unique situation, legal framework and design.

OPTIMIZE OUR WORK METHOD

We design a work method that meets environmental project-related requirements and draw up an Environmental Monitoring and Management Plan (EMMP).

ADAPTIVE MANAGEMENT

During project implementation we monitor our environmental performance using *in situ* measurements and ecosystem receptor responses. We adapt and optimize our working methods as needed, to ensure compliance.

ENHANCE ENVIRONMENTAL OPPORTUNITIES WITH BUILDING WITH NATURE

On certain projects we can incorporate sustainable design solutions into the project from the earliest (tender) stage. This includes going beyond legislative requirements and interacting with partners and environmental, design and engineering specialists, as well as stakeholders, to create cost-efficient solutions that mitigate risk and impact.

BALLAST WATER MANAGEMENT

We ensure all our vessels comply with the Ballast Water and Sediments Convention which aims to minimize the spread of invasive species.

ENVIRONMENTAL TRAINING AND MANAGEMENT SYSTEMS

In addition to environmental management certifications for our businesses (see page 71), we organize environmental awareness training to ensure compliance with pollution prevention methods such as IMO MARPOL waste regulations, oil spill prevention, antifouling measures and sewage management. All our vessels over 400 GT have a waste management plan.

TECHNOLOGICAL INNOVATION

We continue to invest in research to bring leading-edge solutions to clients seeking an environmentally sustainable project. We have brought several solutions to market that contribute to protecting biodiversity. These include: 3D printing of artificial reefs, the Plumigator that significantly reduces turbidity on dredging projects, a seagrass transplanter system and green valves for our hopper dredgers.

ACCELERATING IMPACT THROUGH POSITIVE COLLABORATION



We see partnerships and collaboration as the backbone of our nature-based approach to protecting and enhancing coastal ecosystems. We will achieve much more by working together with others, sharing our knowledge and learning from each other. Our project in Panama (see page 66) is a good example of what can be achieved through this approach.

Our longstanding collaborations with knowledge institutes and academic institutions enable us to stay connected with the latest available knowledge. By doing so, we aim to add value to projects, especially those located in complex environments, by managing the risks that impact biodiversity. In 2020 we continued our approach of working with others by starting collaborative projects with Wetlands International and IUCN (International Union for Conservation of Nature). This is in addition to our continued contribution to and forward planning for EcoShape.

WETLANDS INTERNATIONAL

Early 2020 we signed a strategic agreement with Wetlands International, the global NGO dedicated to the safeguarding and restoring of wetlands, intensifying our joint collaboration. Our work together explores the potential to enhance and restore coastal wetland habitats, which not only support coastal protection, biodiversity and fisheries but store some of the world's largest quantities of carbon. The agreement will see us initially focusing on the development of a low-carbon future for Boskalis, as well as facilitate the accounting, avoidance, reduction and in-setting of our carbon footprint. See page 58 for details of our collaboration on 'blue carbon' ecosystems, which can contribute to climate targets, adaptation and biodiversity conservation.

The scope of our agreement also covers the potential for developing value propositions for our projects, the promotion and mainstreaming of best practices to enhance the sustainability of maritime and dredging projects and the improvement of both parties' performance actively sharing knowledge and experience on this subject.

INTERNATIONAL UNION FOR CONSERVATION OF NATURE

In 2020 we took a large step in the focused management of key environmental risks and opportunities, as well as transparency on our progress, by exploring the relatively new field of corporate biodiversity management and reporting. Through collaboration with IUCN (International Union for Conservation of Nature) we are developing best practices in biodiversity performance planning and monitoring. The first phase of the collaboration focuses on our Dredging and Inland Infra activities which can have an important impact on biodiversity.

The aim of this effort is to define a handful of reliable core indicators for biodiversity that are appropriate across projects and that we can communicate at the project (client) and corporate level. These indicators will enable Boskalis to better communicate biodiversity performance to our stakeholders, in line with expectations we see in tenders and Non-Financial Reporting Guidelines.

IUCN and Boskalis teams worked through the first three stages of IUCN Biodiversity Guidelines for Business. One of the first steps was to consider Boskalis' scope of influence, to discuss where we may have control, and where we have less influence. As a contractor Boskalis rarely has influence over certain choices affecting biodiversity, such as the location or masterplan design of a project. These elements are usually pre-determined by governments and clients prior to Boskalis being invited to tender. In addition, we

rarely stay in a single location for long and each project and each project site is unique. Understanding these elements of our business was very important defining the most important pressures to address and the level of ambition and feasibility of the corporate goals and objectives.

Despite this complexity, together with our business and the experts at IUCN, we were able to apply the guidelines and identify the pressures and key biodiversity priorities at the species, habitat and ecosystem service level. We determined a common set of related operations, processes and services that can be influenced by Boskalis to help minimize our adverse impact and enhance our positive impact on biodiversity. Due to COVID-19 the work was conducted primarily through a review of data, documents and reports, and online interviews with a variety of staff with roles directly and indirectly linked to biodiversity.

BOSKALIS BIODIVERSITY FRAMEWORK

Based on our existing approaches, the recommendations made by IUCN and our findings in the business, we have drafted a biodiversity framework that identifies biodiversity priorities and clarifies our ambition and objectives for biodiversity. These cover the protection of marine and coastal habitats, spill mitigation, the introduction of alien invasive species, habitat restoration, turbidity and animal strikes. Using the framework as a base, we aim to improve measurement of our biodiversity impacts and the effectiveness of nature-based solutions. Looking forward, Boskalis will evaluate and further improve the framework by, for example, testing potential data indicators in project sites around the world. Many of the potential indicators are already partially or wholly being reported at the project and/or fleet level (e.g. spills, animal strikes, turbidity and ballast water practices). Others require a deeper level of thought (e.g. habitat protection and enhancement, and nature-based solutions).

BIODIVERSITY FRAMEWORK

Ambition: To lead the industry in the development of nature-based solutions to protect and enhance coastal ecosystems, and to contribute towards the Sustainable Development Goals through our environmental management approach.

We aim to translate our biodiversity ambition into our operations across five key areas and associated objectives:

Nature-based solutions	Providing effective, nature-based solutions and developing new technologies and ways of working
Priority habitats and species	<ul style="list-style-type: none"> Seeking opportunities to contribute to the protection or enhancement of priority biodiversity Applying appropriate precautionary management and mitigation measures where we are active close to priority biodiversity Accounting for sensitive breeding or migration patterns in our approach Avoiding impact to marine mammals, marine turtles or coral
Pollution	Achieving zero oil spills across our activities
Invasive species	Avoiding the introduction of alien invasive species
Turbidity	Protecting sensitive priority biodiversity by managing turbidity

'Priority biodiversity' for Boskalis is defined as the species and habitats that fall within our main scope of biodiversity influence, and on which we want to minimize impact or to proactively conserve or restore.

ECOSHAPE AND BUILDING WITH NATURE

In 2008 Boskalis initiated the EcoShape foundation, which executes the innovative knowledge program Building with Nature (BwN). Although the current BwN program came to an end in 2020; the projects that BwN has enabled, continue.

BwN is a design approach that harnesses the forces of nature to benefit environment, economy and society. The approach results in resilient designs tailored to the local context that deliver across the range of the Sustainable Development Goals. The past 12 years have seen extensive work to further mainstream the application of these nature-based solutions. Fokko van der Goot, Senior Environmental Engineer at Boskalis and member of the EcoShape management team explains how it all started.

“We would often run into situations where there wasn’t enough understanding of the ecosystems in the areas where we ran our projects towards reducing environmental impact. This resulted in a reactive approach. We realized that by making nature an integral part of project development, the BwN approach, it could help not just minimize the negative impact the development might have, but also create positive environmental and social impact. That required a broad range of knowledge, and that was something we couldn’t develop on our own.”

The EcoShape consortium collates and shares knowledge through pilot projects and draws up guidelines for replication and scale-up; this year it published a book, ‘Building with Nature – Creating, implementing and upscaling Nature-based Solutions’ to present the overarching approach and the key lessons learned for successful implementation of BwN concepts; the consortium has made technical guidelines freely available at www.ecoshape.org.

BwN is not just about engineering and ecology. “These solutions are inherently dynamic and demand a different mindset to

implement them,” says Fokko. “They involve institutional embedding, enabling the right governance setting, multi-stakeholder involvement, capacity building, sustainable financing – you need all these enablers to come to implementation.”

To extend the impact of nature-based solutions Boskalis needs the support of solid financing institutions; EcoShape is now recognized as an expert on these solutions by multilaterals such as the UN and the World Bank. In this capacity it participates in climate summits, such as the 2019 Climate Action Summit in New York and Climate Change Conference in Bonn, to share knowledge and experience. EcoShape has been an enabler, paving the way for more commercial projects; we would like to move forward in that direction.

Building on the success of a BwN project in Indonesia, EcoShape is currently upscaling and mainstreaming the BwN concept in Indonesia, developing a ‘training for trainers’ program that has the potential to be replicated for other countries. In December 2020 Van der Groot was invited by the Indonesian Ministry of Marine Affairs to conduct a one-hour BwN training and Q&A session for the Archipelagic and Island States (AIS) forum, created to deal with shared challenges in the areas of climate change mitigation, adaptation, and disaster management.

Moving forward, focus will shift towards a more international context with a broad range of international and local partners with the aim of upscaling and mainstreaming BwN. By using the BwN approach, Boskalis can make a substantial contribution to the realization of the UN’s Sustainable Development Goals by developing value propositions for major societal, environmental or sustainability issues in low-lying deltas worldwide.

Additional details of the various EcoShape projects can be found on its website (www.ecoshape.org).

ARTIFICIAL REEF PROGRAM IN PANAMA

For a number of years, Boskalis has been developing innovative artificial reefs – either as a ‘stand alone’ habitat or in combination with marine infrastructure or coastal protection – both to enhance the biodiversity around the marine infrastructures we create, and as an integral part of our coastal protection solutions.

At the end of 2020 we launched a pilot project in Panama together with three key partners: the local NGO Reef2Reef, environmental organization Coralive and the Maritime University of Panama. The project, located off the coast some 65 kilometers north of Panama City, in the Caribbean Sea, tests a series of modular concepts that could provide a solution to the challenges of the large-scale application of artificial reefs.

The project assesses, monitors and compares the ecological performance of different concrete and steel reef-design solutions employing Mineral Accretion Technology (MAT); this uses low-voltage, electrical currents underwater to accelerate the process of calcification, promoting the growth of marine life.

Endless Reefs, one of these modular solutions, consists of a collection of steel dodecahedrons and was developed in our own R&D department.

The Panama project is unique in that it simultaneously compares non-modular and modular structures, as well as active and passive (MAT and concrete) solutions in the same environmental conditions; it aims to show that such a concept can be initiated, organized and supported locally. The knowledge we gain from the project, which is expected to run until 2022, will be incorporated into our Living Breakwaters program. This follow-up program will use selected modular structures as building blocks within traditional hydraulic structures such as rock breakwaters to enhance marine biodiversity.

The pilot evolves around creating a founded basis for opening up new solutions and markets around marine infrastructure; it has the aim of providing a substantial contribution to the enrichment of marine biodiversity. At the same time the pilot intends to initiate discussions with project owners and investors interested in enabling the future expansion of artificial reefs and living breakwater applications.



Creating Boskalis’ modular artificial reef solution, Endless Reefs, Panama

MANAGING OUR IMPACT ON LOCAL COMMUNITIES

We respect the rights of the communities where we work and are committed to being an active member of society. Engaging with and managing impacts on local communities is an important part of our work. In many cases we create socio-economic value through the infrastructure we deliver, via local job creation, procurement and community investment. Where we can, we seek to enhance these positive impacts. At the same time, we aim to minimize any negative social impacts of our activities and apply and continuously improve our social management approaches.

RISKS AND DILEMMAS

- Given the temporary nature of our involvement in a local community, it can be hard to create and measure long-term impact
- As we are usually contracted to provide services for our client in a specific location, we can be limited in the scope we have to meaningfully engage with the local community
- Balancing local needs and requirements of our clients with international expectations
- Availability of suitably qualified local employees or suppliers
- COVID-19 restrictions mean traditional community engagement approaches are not always possible

OPPORTUNITIES AND GOALS

- The potential for infrastructure to contribute to socio-economic development
- To use our presence in communities to increase local knowledge, skills and capacity
- Provide employment to local employees with fair wages, good labor practices and respect for human rights
- Work with our local subcontractors or suppliers on health and safety

SDGs identified by Boskalis that are closely related to topics covered within 'Managing our Impact on Local Communities':



MANAGING OUR SOCIAL IMPACT

OUR IMPACT AND MANAGEMENT APPROACH

A lot of our work takes place offshore, however, our operations can impact local communities. While many projects do not affect these communities, others can have significant impact, either positive — creating jobs and opportunities for economic growth, or, potentially negative. Wherever possible we enhance any positive impact, and mitigate negative impact. Social impacts that could be associated with our activities include:

- onshore disturbance as a result of logistics and transportation;
- supply chain workforce welfare;
- impact on local livelihoods, indigenous peoples or cultural heritage;
- local job creation.

The approach we take to managing potential social impact is in line with our Environmental and Social Policy, which aligns with the principles of the International Labour Organization and the OECD Guidelines for Multinational Enterprises.

In 2020 consultation and stakeholder engagement processes in a number of locations were affected by COVID-19, with face-to-face meetings or even travel to site being restricted. Where possible, other forms of (online) communication were implemented. For example, the interactive project website to promote dialog in the Maldives (see page 74), 'Managing impact in the Maldives'.

In some cases our work is a small part of a larger project scope that has wider reaching social impacts. As a contractor this can present a dilemma as we may not have influence over our client or the local social or political context. In these situations we aim to work in line with the principles set out by the OECD Guidelines for Multinational Enterprises, exerting leverage to encourage social impact management practices in the chain.

There are five areas to our social impact approach:

SOCIAL RISK & OPPORTUNITY ASSESSMENT

We aim for early identification of social risks and opportunities as part of the standard risk and opportunities approach, to create awareness and to support an effective social management strategy on project level.

STAKEHOLDER ENGAGEMENT

Depending on the local stakeholder landscape, we develop a stakeholder management plan that may include an on-site community liaison officer to engage with local communities and support stakeholder consultation processes.

GRIEVANCE MANAGEMENT

Boskalis' Grievance Policy provides guidance for external stakeholders, who can bring forward any complaints to the appropriate entity for response. In addition, depending on the social-risk profile of the project, a specific project community and/or worker grievance mechanism is put in place. This is used to channel grievances and complaints to the appropriate entity for response and any necessary management action.

COMMUNITY CONTRIBUTION AND LOCAL DEVELOPMENT

We recognize our ability to stimulate positive community impacts through local job creation, local procurement, skills development and training. Where possible, we seek to benefit communities by maximizing these elements in our projects and seeking opportunities for community contribution.

WORKER WELFARE AND HEALTH AND SAFETY

Our human rights and labor principles are a fundamental part of the way we do business. Through the safety behavior program NINA we take care of the safety, security and health of everyone involved in our activities, including the communities where we work. We apply fair employment practices and offer good and competitive terms of employment worldwide. We commit that our employees receive a living wage that covers their and their family's basic needs in their home country.

AWARENESS AND CAPACITY BUILDING

In order to increase awareness and engagement on social impact, in 2020 we introduced two training programs:

- **An interactive sustainability and social impact training** focusing on dredging projects was developed and piloted in 2020; due to COVID-19 the training was brought online. The course is aimed at business and project leaders and covers our sustainability strategy, Environmental and Social Policy and relevant (international) guidelines, alongside practical steps to apply these on our projects. We plan a wider roll-out in 2021, which should go a long way to raising awareness on the importance of this subject across our company.
- **A training for environmental engineers** to improve their expertise in conducting risk assessments when it comes to the potential social impact of a project. This Social Impact Training, based on the IFC's Environmental and Social Performance Standards, is tailored specifically to Boskalis' business. We aim to continue the training during the onboarding of new specialists joining the Hydronomic team, as well as to extend it to other areas of the company.

IMPROVING OUR MANAGEMENT APPROACHES

Social impact is one of our focus areas for the years ahead. In 2020 we continued to strengthen our management approaches on this topic as follows:

- **The Environmental & Social (E&S) Impact Scan** improves our approach to E&S management so we are more consistent in the way we identify the projects that need our attention. This new approach, the E&S Impact Scan, has been included in our quality management system, WoW. The scan supports the earlier recognition of opportunities and risks on environmental and social aspects associated with our intended designs and activities. By conducting the scan at an early stage in a project's development or in the tender phase, we can more effectively

incorporate the findings into the project process as well as improve allocation of resources.

- **The Environmental & Social Review** process, introduced to help standardize the way we review environmental and social risks and opportunities in projects, once they have been highlighted by the E&S Impact Scan. The process structures requirements, risks and gaps using the topics covered in the IFC Performance Standards as a frame. This way Boskalis is better able to systematically review environmental and social requirements and prioritize and address potential environmental and social risks and opportunities. The template was developed as an outcome of the Social Impact Training.

MAKASSAR NEW PORT

In 2019 Boskalis was awarded the dredging contract for dredging and sand supply works for the Makassar New Port. The development of the port is aimed to support the central government's Master Plan for the acceleration and expansion of the economy, especially in developing the Sulawesi corridor.

As part of this project we applied our social impact approach which in this case meant working with local social and environmental specialists to understand the local context and communities. One of the main potential impacts identified in our initial risk scan was related to the environmental impact of sourcing sand offshore to create new land and the need for consultation with local communities.

The legally required environmental permitting and consultation activities were completed by the sand concession holders. However, as part of our risk scan, we established prior to starting our activities that there was a difference between local social impact management requirements adhered to by the concession holders and what is expected from Boskalis in line with international principles. In our role as subcontractor we saw an opportunity to collaborate with our suppliers to develop an improved community engagement plan and grievance mechanism, alongside additional environmental management steps. This included undertaking a supplementary environmental baseline survey using local divers, a supplementary engagement program and a social baseline survey involving focus group discussions in several communities and fish markets. The outcome of the consultations helped us to understand the perspectives of community members, such as a desire for the project to provide local jobs, the request for further communication about the project

or an expectation of community investment. It also helped us to get to know the local context and how and where we could set up a grievance mechanism. The work was continued throughout the project duration to help maintain constructive community relations.

Despite this thorough consultation process with coastal communities, our activities were disrupted on a number of occasions due to local protests. For the safety of the protestors and our crew, the operations were temporarily suspended. Following leverage exerted by Boskalis on the main contractor, employer and sand concession holders, grievances were addressed allowing Boskalis to complete the project.



COMMUNITY CONTRIBUTION IN PRACTICE



BEACH CLEAN-UPS

Boskalis has been organizing beach clean-ups for nearly a decade. Beach clean-ups are not just good for the environment, but often involve subcontractors or other local companies and help strengthen bonds in the community and between our employees.

This year due to COVID-19 restrictions many beach clean-ups were unable to take place. However, some were able to go ahead and included our North Manama Causeway project in Bahrain, where the project team filled 73 garbage bags within 1.5 hours. In the Maldives, subcontractors joined Boskalis employees to carry out routine beach clean-ups, and beaches on the island of Minsener Oog in Germany, which is a protected area for birds, were cleared of plastic waste and fishing nets which posed a serious threat. In the Netherlands, a team of colleagues joined the Plastic Whale Fishing initiative in Rotterdam, 'fishing' in the city's waters and retrieving in total 70 kilograms of waste plastic for reuse and residual waste for disposal.

SUPPORTING YOUTH EDUCATION

During our Makassar New Port project on the island of Sulawesi, where our dredging activities contributed to the expansion of the port's container terminal, Boskalis was one of three commercial partners to take part in a nationwide initiative to support local students in learning more about the port and maritime sector in Indonesia, in particular its sustainability aspects.

The Indonesia Port Academy initiative is a capacity building program for young Indonesian students and supports a 'green port' concept and practice in the country, known as the Eco-Smart Port theme. Under the current administration in Indonesia, a more coordinated network of ports is beginning to adopt a more advanced and sustainable port concept for the country. Boskalis' Maria Kartika, who mentored groups of students during the workshops in March, says, "Not only do participating students have classroom learning, but they also gain practical experience during port visits organized by Boskalis and other maritime experts from the Netherlands and Indonesia. The students are encouraged to develop their own ideas and solutions."

Sustainability aspects of the program include a planning phase that respects the environment and local communities, the use of 'green' tech, and compliance with environmental regulations during the construction phase. One water resources engineering student from the Bandung Institute of Technology said that the program, "provided her with a lot of knowledge she couldn't find at university," proving the value of the effort.



TRAFFIC SAFETY

To help optimize safety during the Makassar New Port project, along with applying our own NINA program, Boskalis engaged a specialized third party to provide a two-day Defensive Driving Training Course for employees of Pelindo IV, the project developer and port operator.

Project manager Frans Thomassen explains how it came about: "Talking with Pelindo's director about traffic safety, especially within the port facility, he said how he would like to 'upgrade traffic behavior,' starting by improving the defensive driving skills within his own operations team. I took up the challenge and told him Boskalis would support such a course. Upgrading the port operator's safety standard in this way could help reduce the incident rate and increase traffic safety awareness on site."

The training taught the key skills involved in defensive driving, enabling drivers to react to potential threats to the vehicle, its occupants and the other port users. Particular attention was given to the use of the heavy equipment that is encountered in an average port or construction environment. The course was well-received by participants. Pelindo IV director: "This is the best souvenir Boskalis has given us. Hopefully the participants can share their knowledge with colleagues and family so that Makassar can have a better traffic culture." In total, around 50 Pelindo IV employees attended the training.

TRAININGS IN OFFSHORE WIND FARMS

In 2020, Boskalis' Taiwanese projects included two offshore wind farm (OWF) projects: the foundation transport and installation scope for the Changfang and Xidao offshore wind farm, and scour protection and rock placement at Yunlin. These two projects add to our growing portfolio of expertise in this area.

In Taiwan, to share our expertise on diverse aspects of offshore wind farms – from preparation to realization – BoWei, the local operating joint venture of Boskalis, has been actively involved in knowledge-sharing programs at universities. These includes topics

related to engineering, procurement, construction and installation. We have been active at the National Taiwan University in Taipei, and the National Sun Yat-Sen University, (which has a master program in OWF), and National Cheng Kung University, both are located in South of Taiwan. BoWei now gives regular guest lectures at these educational institutes; internships are also in place.

BoWei provides cadets with a range of related knowledge and skills, offshore training, fire and safety practices and helicopter safety. Boskalis' offshore training system is based on continuous professional development, tailored to meet both regulatory and safety requirements; there will also be an office visit to the Netherlands if COVID-19 travel restrictions allow, where they will receive trainings in Boskalis Way of Working and our behavioral safety program NINA.



MANAGING IMPACT IN THE MALDIVES



The Maldives, with its blue lagoons and coral reefs that are home to valued marine ecosystems and provide income for local communities, are an environmentally sensitive area. Our dredging and reclamation project on Gulhifalhu, to lay the foundations for a new port, is a prime example of how we effectively manage environmental and social impact.

In 2019 Boskalis was awarded a contract by the Ministry of National Planning, Housing and Infrastructure in the Republic of Maldives for a land reclamation project. "Safe land and enough space for new development is a big concern in the Maldives," says Peter Piek, project manager. "There are about 3,000 tiny islands in the Maldives, and much of the land is under potential threat from flooding."

It was Piek's first time working in the Maldives, and his picture of blue skies, white sandy beaches and a calm sea was often different from the reality. "We experienced a lot of rough weather, which made our work more difficult than we had hoped for." Nonetheless, the dredging and reclamation work came to a successful completion in August 2020. Revetment work should be finished by the second quarter of 2021.

MITIGATION MEASURES

The climate change adaptation project included the creation of a climate resilient island and the construction of a new port in Gulhifalhu, around four kilometers west of the capital Malé; it involved the dredging and placement of over six million cubic meters of sand in the eastern part of Gulhifalhu lagoon, as well as the construction

of revetments to protect the new land. "Before we started, we took additional mitigation measures to construct bunds, ensuring stability," explains Piek, "and took a pro-active approach to managing the dredging – whenever we noticed turbidity, which could impact marine ecosystems, we ceased our operations until conditions calmed."

Gulhifalhu, like most of the Maldives, is rich in coral and our operations could have potentially threatened both the ecosystems supported by the coral and local livelihoods that depend on it. Ellen van den Brom is an engineer who was closely involved in the project. "Before we started our operations, we carried out an Environmental Impact Assessment on behalf of the client," says Van den Brom, "which is quite rare as this is usually carried out by the project developer."

VULNERABLE ECOSYSTEMS

"The Maldives' first recognized diving site is located on the southern edge of Gulhifalhu, making it a protected area in terms of historical and cultural value, and, because the ecosystems are so vulnerable, there are strict dredging regulations in place. Our assessment identified not only the potential impact of our operations on the coral and the ecosystems it supports, but also on local communities. The ecosystems throughout the Maldives represent a vital part of its economy. To make sure we addressed these challenges effectively, we engaged an accredited consultant for the development of the EIA."

Stakeholder consultation identified some concerns about the project from a local NGO located on the island of Villingili, located next to Gulhifalhu. The NGO was worried that the Gulhifalhu lagoon was being turned into a port and that it could be negatively impacted by the planned operations. Like other local communities, they realized the economic importance of the port but were worried about the environmental impact as well as the potential visual impact of the project, the seawater changing color due to turbidity for example.

We engaged with the NGO to discuss our work methods and as a result of this dialog, we implemented additional environmental measures including barriers to further reduce any spread of sediment in the water, and minimize potential impact on the Villingili reef.

CORAL RELOCATION

Before the start of the reclamation works, we relocated coral from Gulhifalhu, placing some of it near the resort island of Furanafushi where it is forming a new reef to strengthen the existing one. Other measures taken included implementing a green valve, a bund wall

"WE CREATED AN INTERACTIVE PROJECT WEBSITE AS PART OF OUR GRIEVANCE MECHANISM, ALLOWING LOCAL STAKEHOLDERS, AND ANYONE ELSE, TO VOICE A CONCERN OR EXPRESS AN OPINION"

and silt screens in the lagoon to reduce the potential spread of sediment, which otherwise could negatively impact underwater ecosystems, as well as acting as a further barrier to prevent the spread of plumes in the water.

"During this project we also had to think out of the box," says Van den Brom. "Normally a community liaison officer would conduct frequent, face-to-face conversations with key stakeholders, especially in a region with small communities like the Maldives. However, COVID-19 restrictions made this almost impossible so we created an interactive project website as part of our grievance mechanism, allowing local stakeholders, and anyone else, to voice a concern or express an opinion. Even though the major land reclamation works are complete, we still update the site regularly with the results of regular water quality monitoring for example. To date, none of the monitoring results have exceeded the limits of the environmental permit." Based on the success of the feedback form on the website, Boskalis is now working on a standard template to share the experience with other projects.

CHALLENGING PROJECT

Looking back at a challenging project, Piek says that one of the high points given the various challenges, was when they received the approved environmental permits. "And, in light of the issues created by COVID-19, it was extremely satisfying when our dredging vessel started, and then completed, the reclamation activities."

Boskalis has executed several climate-adaptive dredging and reclamation projects in the Maldives. Following the devastating 2004 tsunami we reconstructed the islands of Th. Vilufushi in 2006 and Ga Villingili in 2008. Subsequent projects included the reclamation of land at a further four islands across the northern atolls of the Maldives in 2010, and the initial development of Gulhifalhu in 2010 and 2012.



RESPONSIBLE BUSINESS CONDUCT



We are committed to being a business partner who acts with integrity, reliability and responsibility. These are key elements for building trust between Boskalis and its stakeholders. We reinforce these intrinsic values by endorsing the principles of the International Labour Organization and the OECD Guidelines for Multinational Enterprises and by applying our Boskalis Code of Conduct. We regularly review our policies and codes of conduct to ensure that they keep pace with evolving practice and regulations. We use our leverage wherever we can in creating value within the supply chain and audit compliance with our Supplier Code of Conduct.

RISKS AND DILEMMAS

- Our leverage in the value chain can be limited
- Large number and global spread of diverse suppliers due to project organization

OPPORTUNITIES AND GOALS

- Being a responsible and reliable business partner
- Effectiveness in managing supply chain risks
- Further evolve our supply chain management

SDGs identified by Boskalis that are closely related to topics covered within 'Responsible Business Conduct':



BUSINESS PRINCIPLES

BOSKALIS CODE OF CONDUCT

Boskalis is a responsible multinational enterprise. Our purpose is to create and protect welfare and advance the energy transition. We play a pivotal role in keeping the world moving both on land and at sea. The areas where we can make the largest contribution, both to the world economy and sustainable development, are tied to our business, our people and our activities. The company is committed to sustainable profitability and value creation for its shareholders. Boskalis wants to be an attractive employer and the client's first choice of contractor.

We are committed to conducting our business with integrity, honesty and fairness. We do this in compliance with applicable international and national laws and the Boskalis Code of Conduct. The Boskalis Code of Conduct describes the guiding principles for our business conduct based on our core values, our commitment to our people, our clients, our investors, the environment and communities where we work. It describes our way of working and behavior and has been designed to help all of us to make the right

decisions in our daily work to improve our performance, build up trust with our stakeholders and safeguard our solid reputation.

The Boskalis Code of Conduct is based on international guidelines, including the Universal Declaration of Human Rights, the principles and the conventions of the International Labour Organization and the OECD Guidelines for Multinational Enterprises. Boskalis accepts responsibility for matters which lie within its sphere of influence. The Boskalis Code of Conduct applies to Boskalis, its subsidiaries and all its employees performing work for Boskalis.

We refreshed the Boskalis Code of Conduct in 2020, ensuring that the content remains comprehensive, relevant and up to date and we developed a set of underlying policies to the Boskalis Code of Conduct to elaborate upon certain important business principles. We review the Boskalis Code of Conduct and its underlying policies on a yearly basis.

The employees of Boskalis receive a copy of the Boskalis Code of Conduct and its underlying policies when they start working for Boskalis. In addition, e-learnings and targeted trainings are being organized to explain and train our people how to use them.

The full text of Boskalis Code of Conduct and its underlying policies as well as the Supplier Code of Conduct are available on our corporate website and our intranet ('Bokanet').

SUPPLIER CODE OF CONDUCT

The principles embodied in the Boskalis Code of Conduct are a fundamental part of the way we do business and we promote the same principles in our relationships with clients, suppliers and other business partners.

Boskalis has a Supplier Code of Conduct, which mirrors our own Code of Conduct. Besides considering quality, delivery reliability and price, we also select our suppliers based on sustainability

criteria. The Supplier Code of Conduct is an integral part of all procurement contracts. By entering into a contract, suppliers commit themselves to the Supplier Code of Conduct. This commitment is also applicable to their own suppliers. In 2020, 85% of our strategic suppliers endorsed the Supplier Code of Conduct, compared to 81% in 2019.

The full text of the Supplier Code of Conduct is available on our corporate website and our intranet ('Bokanet').

Each year, we conduct an implementation scan at a cross section of approximately 10% of our strategic suppliers. Suppliers that do not meet our standards are given the chance to improve under our supervision. In the absence of sufficient progress, we will eventually terminate our relationship with these suppliers. More details of this risk matrix assessment and the results over the past years are given on pages 82-83 of this report.



OUR CORE VALUES – OUR COMPASS

We strive to be the leading dredging and marine contracting experts, creating new horizons for all our stakeholders. Our five core values guide us in achieving this mission.

SAFETY

Our people and their safety is the core of our success. Safety is the top priority in everything we do. Our behavioral safety program NINA targets No Injuries No Accidents to safeguard our colleagues and suppliers.

TEAMWORK

By working together we create new horizons. We approach our complex and specialist work with a collective mindset and the objective to excel. Collaboration within teams and cooperating with clients, suppliers and other stakeholders allows us to get the job done.

PROFESSIONALISM

We strive to achieve the best results for the job without making promises we cannot deliver. With our expertise and

experience in project management, operations and risk management we seek to deliver our projects safely, on time and within budget.

ENTREPRENEURSHIP

We offer innovative, competitive and sustainable solutions for our clients. With our strong business sense, we are forward thinking, exploring new ideas and opportunities. We take pride in creating new horizons.

RESPONSIBLENESS

We are committed to conduct our business with integrity, honesty and fairness. Integrity is a prerequisite for success and an important cornerstone of our reputation. The impact of our activities on society and the environment is a key element in the way we conduct our day-to-day business.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

The Boskalis Anti-Bribery and Anti-Corruption principles are enshrined in the Boskalis Code of Conduct and elaborated upon in its underlying Anti-Corruption and Anti-Bribery Policy. Boskalis does not tolerate any bribery and corruption. Boskalis shall not offer, pay, request or accept bribes, facilitation payments or other favors for the purpose of acquiring or giving any improper business, financial or personal advantages.

In many countries where Boskalis operates it is impossible to conduct activities without a local partner or sponsor. The guidelines for collaborating with such a partner are set out in a contract, which also specifically includes the principles from the Boskalis Code of Conduct as described above. Local contacts may be maintained by an agent, who also assists in the efficient setting up and execution of projects. Control of integrity risks and compliance with the internal procedures for concluding agent contracts are part of the internal audits.

ENVIRONMENTAL AND SOCIAL POLICY

The environmental and social guiding principles of Boskalis are part of the Boskalis Code of Conduct and detailed in the Environmental and Social Policy. Boskalis strives to be a leader in sustainability in the dredging, offshore contracting and marine services industries. We aim to create long-term sustainable profitability by managing our business and projects responsibly, adding social, environmental and economic value wherever we can, and leveraging our ability to influence and innovate. This commitment is founded in our ambition to contribute to the United Nations Sustainable Development Goals (SDGs). Boskalis aligns its business practices with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. We comply with the applicable environmental and social national and international laws.

HUMAN RIGHTS AND LABOR POLICY

The Boskalis Code of Conduct includes the commitment that Boskalis respects and supports the dignity, wellbeing and human rights of our employees, the communities we work in and everybody involved in our operations. We have a Human Rights and Labor Policy that sets out the guiding principles for Boskalis to conduct its business, which is developed in line with the United Nations Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guideline for Multinational Enterprises and applicable national and international labor laws, including the conventions of the International Labour Organization. We seek to identify adverse impacts related to human rights and labor caused by our business activities before they occur and take appropriate steps to avoid, cease, minimize or mitigate them.

SANCTIONS POLICY

Boskalis does not perform any activities that are subject to international and/or national sanctions and does not have dealings with sanctioned persons. In addition, we follow the laws concerning export control for military and dual-use goods and services. The guiding principles regarding sanctions are laid down in the Boskalis Code of Conduct and our Sanctions Policy.

TAX POLICY

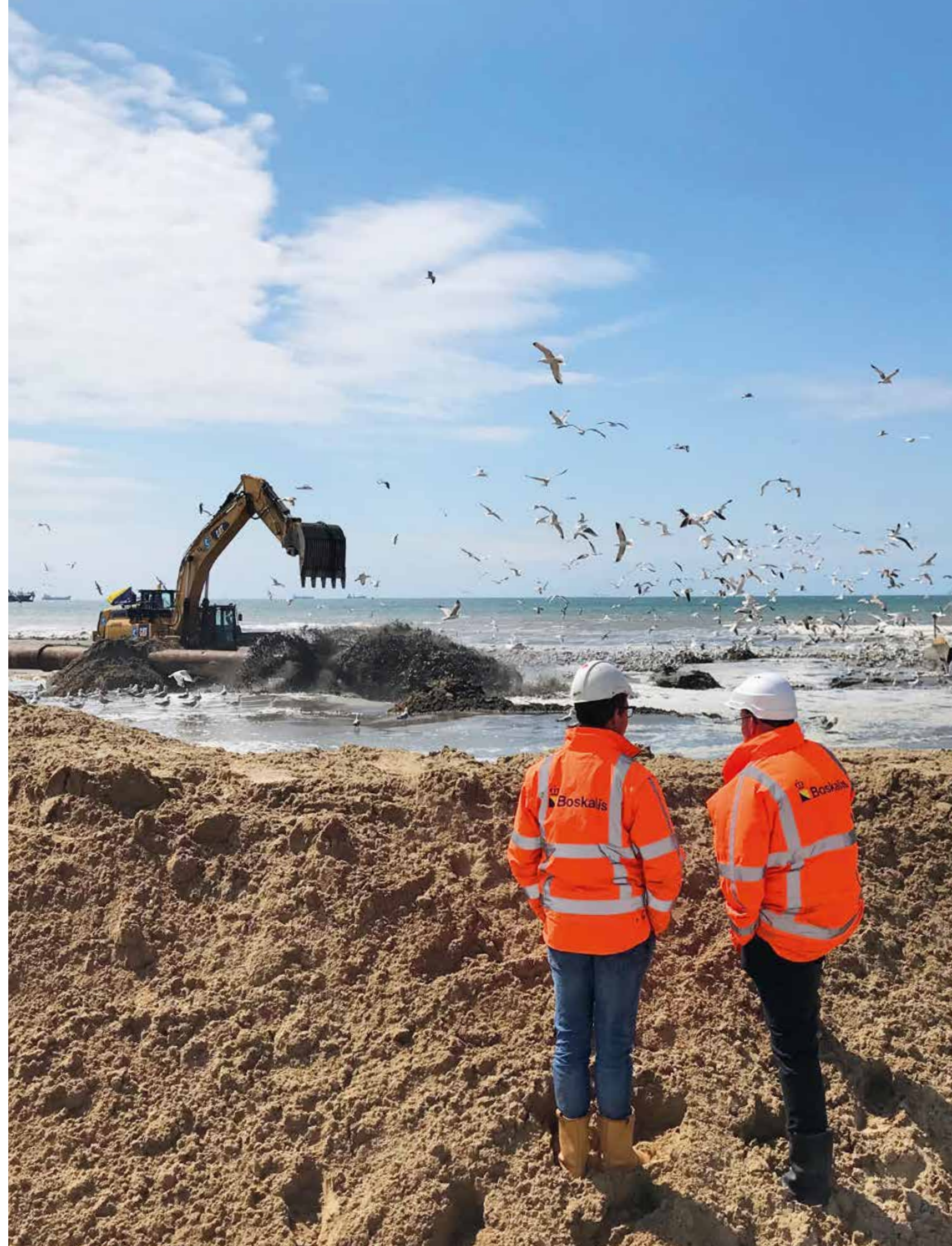
The payment of taxes forms an important part of our contribution to the countries and communities in which we operate. Our approach to tax supports the purpose and the corporate business strategy of Boskalis. Our Boskalis Code of Conduct and the underlying Tax Policy reflect our guiding principles that we are responsible taxpayers managing our tax affairs accurately and transparently to the letter and the spirit of the applicable tax laws and regulations. Boskalis supports the OECD initiatives to promote tax transparency and reform of international tax regulations to end tax avoidance strategies and to come to fair tax systems.

SPEAK UP POLICY

Boskalis has a Speak Up Policy in place that offers employees the possibility to report (suspected) misconduct within the company. The Speak Up Policy is developed in line with international and national applicable laws and the OECD Guidelines for Multinational Enterprises. Under the Speak Up Policy a report of (suspected) misconduct can be made on any subject of a general, financial or operational nature which is not in line with the Boskalis Code of Conduct. A confidential and independent counselor has been appointed for the purposes of the Speak Up Policy. Employees have also the possibility to consult a female counselor. Such a report can be made anonymously and on a 24/7 basis. The counselor shall take the reported suspected misconduct into consideration immediately and gain information in relation to this. Based on this information the counselor shall decide which actions are appropriate and necessary, including a possible investigation on the reported misconduct. The employee who has in good faith reported the suspected misconduct to the counselor, in accordance with the Speak Up Policy, shall not suffer any retaliation or detriment as a consequence of making a report.

GRIEVANCE POLICY

Boskalis strives to create an open and clear communication with our various external stakeholders and is open to suggestions, ideas, complaints, grievances and criticisms. The Grievance Policy describes how we offer our external stakeholders the possibility to bring forward any grievance without the risk of any retaliations. Grievances may be treated on a confidential basis upon request and can be made anonymously on a 24/7 basis.



RESPONSIBLE SOURCING

OUR SUPPLY CHAIN

Our relationships with our suppliers are fundamental to the success of our business – as well as to the realization of our sustainability ambitions. We set high standards for our suppliers and our expectations of their environmental and social performance are covered in our Supplier Code of Conduct. Each year we perform an Implementation Scan at a selection of our contracted suppliers to monitor compliance with the Supplier Code of Conduct.

This year, because of the restrictions imposed by COVID-19, the Implementation Scans could not be carried out on location and were undertaken via online meeting platforms and digital tours. Further, the pandemic had little impact on our sourcing operations; all critical supplies were delivered, with few delays, so our operations could continue according to schedule.

Our central procurement office maintains relationships with approximately 1,440 direct suppliers. Of these, 82% are based in the Netherlands, 15% in other European countries and 3% outside Europe. The number of our suppliers varies from year to year based on the profiles of our current projects. In 2020 212 of our suppliers were strategic partners, who together accounted for around 90% of central purchasing volume.

OUR SUPPLIER CODE OF CONDUCT

Besides selection criteria such as quality, delivery and reliability, our central procurement department requires strategic suppliers to accept and adhere to our Supplier Code of Conduct. Our approach incorporates the principles of the Dutch Expertise Network for Procurement and Supply Management (NEVI) Code of Conduct, which helps procurement professionals deal with the ethical dilemmas they face as part of the procurement process.

Our Supplier Code of Conduct sets out our expectations of suppliers' environmental and social performance. It mirrors our own Boskalis Code of Conduct, and is an integral part of our General Purchasing Terms and Conditions, (available at boskalis.com), and of central procurement contracts. On signing a contract, suppliers commit themselves to the Supplier Code of Conduct. In 2020, 85% of our strategic suppliers (by spend) endorsed the Supplier Code of Conduct.

In addition to the Supplier Code of Conduct, we work with our suppliers on a number of collaborative sustainability initiatives, such as:

- research, validation and implementation of cleaner engines;
- environmentally friendly fuels;
- energy savings;
- sustainable dismantling of our vessels;
- cradle-to-cradle and recycling concepts.

In 2020 we received re-certification for ISO 9001, ISO 14001, and transition to ISO 45001. In addition to positive remarks from the auditors for a 'structured approach to the pandemic', 'a low number of incidents given the activities' and a 'demonstrated focus on the future', our CSR method to evaluate the performance of suppliers was described as being 'well implemented'. Early 2021, the Supplier Code of Conduct was updated as part of a broader policy review.

IMPLEMENTATION SCANS

Boskalis commissions a third party to conduct annual Implementation Scans at a selection of our contracted suppliers to verify compliance with our Supplier Code of Conduct. This is in addition to the normal pre-qualification process suppliers must complete. We believe this dialog contributes to an improved sustainability standard of our suppliers.

The scans comprise a sustainability questionnaire based on our Supplier Code of Conduct, an audit and a risk assessment result. The reporting format is based on the socially responsible procurement method of the Chartered Institute of Purchasing and Supply. If we identify any causes for concern at our suppliers, we use the results of the scan to encourage improvement in sustainability conduct. If there is insufficient progress, this may lead to termination of our relationship with the supplier.

In 2020 we decided to include our pre-qualification process in our Way of Working quality management system, making it part of our Project Procurement Plan. As a result, our sustainability questionnaire will become part of the pre-qualification process for our subcontractors, which is expected to increase engagement on sustainability issues. The development of this 'fixed' way of pre-qualification is being carried out in close cooperation with the business.

2020 IMPLEMENTATION SCAN RESULTS

This year 20 suppliers were reviewed. Of these, 13 were new suppliers and seven were previously reviewed suppliers. Of the recurring visits we found that two suppliers had moderately or significantly improved their risk profile since our earlier scan. Five suppliers showed a slightly lower level of improvement but this was considered to be within acceptable levels.

As well as the overall risk assessment for each supplier, we receive a narrative report from our third-party auditors. This covers the steps our suppliers are taking to produce sustainable products or services themselves and how they are tackling the negative impacts in their production processes, such as their use of renewable energy. The reports also indicate how our business partners are ensuring sustainability with their own suppliers. In this way, we gain a more complete sense of risks and opportunities further up our value

chain and the potential for closer business relationships with our suppliers in the future.

SUSTAINABLE RECYCLING

Our vessels are dismantled by third parties. Our approach to ship dismantling is embedded within our Environmental and Social Policy and is focused on safe and sustainable dismantling. We follow existing international legislation and regulations in this area and have been repeatedly recognized as an industry leader by the NGO Shipbreaking Platform. Prerequisites for our policy include: strict safety requirements, a hard surface on which to dismantle the vessel, and responsible disposal of waste.

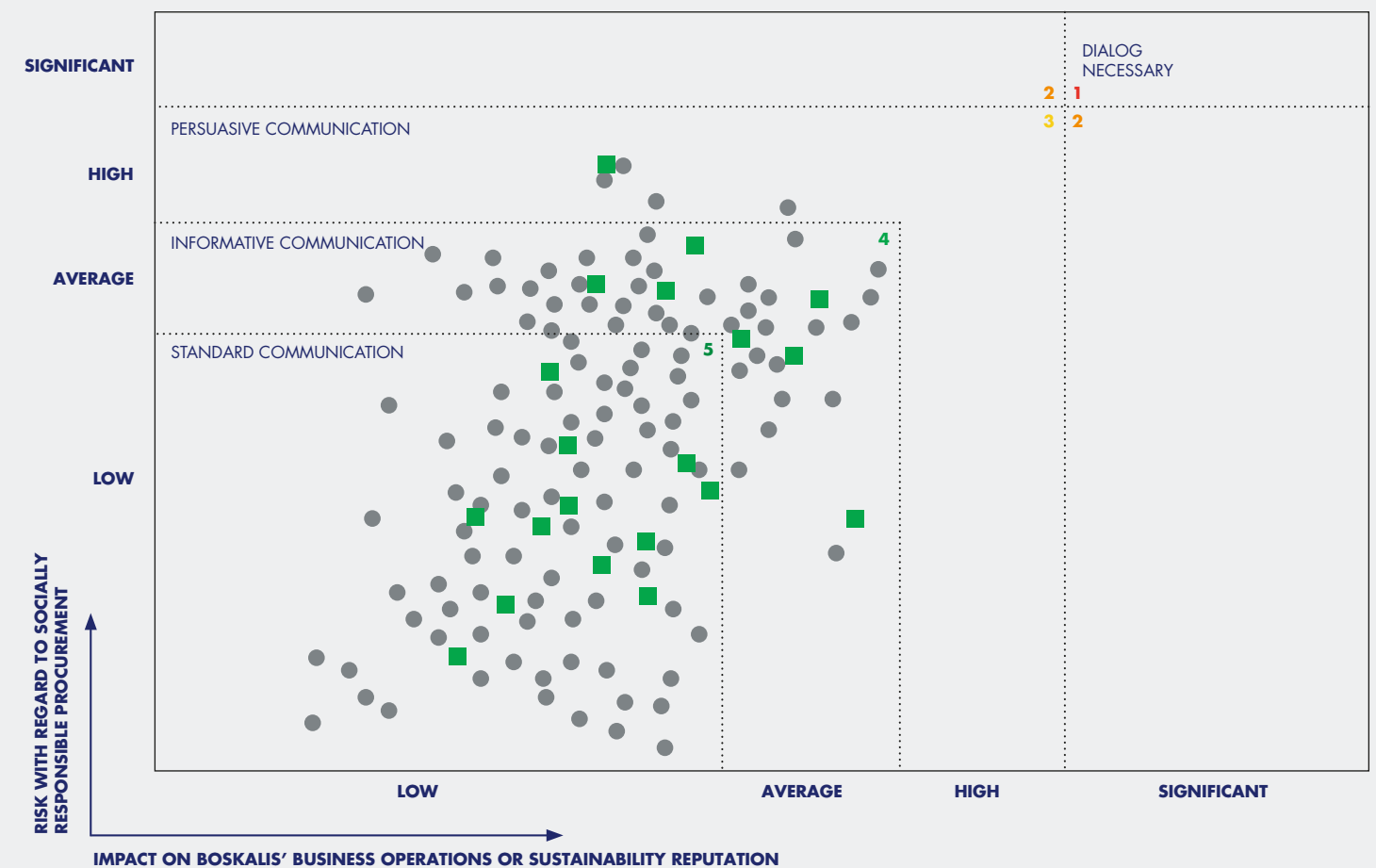
For each vessel, the possibilities for responsible dismantling locally are assessed and weighed against the environmental and other costs of transporting it over a long distance, for example to a certified ship dismantling yard in Europe. Where relevant, agreements are made with local yards in close consultation with the NGO Shipbreaking Platform to adapt business processes in such a way that they meet Boskalis' stringent requirements.

During the ship dismantling process, knowledge is shared with local yards. Vessels are dismantled at certified shipyards in accordance with the Hong Kong Convention and Boskalis' own standards. For 500 GT+ vessels that will be dismantled or are offered for sale, we draw up an Inventory of Hazardous Materials (IHM). In the event a vessel is sold, we incorporate the sales contract for future dismantling; the new owner must also do so in accordance with the Hong Kong Convention.

In 2019 the EU Ship Recycling Regulation (EU SRR) came into effect. The EU SRR sets out strict procedures for the recycling of European flagged ships, both covering the method of waste processing as well as designating specific facilities for the recycling procedures. The EU SRR coexists next to the EU Waste Shipment Regulation, which applies to non-EU flagged ships which are situated within the EU. Boskalis follows these regulations.

In 2020, Boskalis sold a number of vessels. Furthermore, besides smaller supporting assets (<500 GT), no vessels were scrapped or recycled.

IMPLEMENTATION SCAN 2012-2020



● 2012 - 2019 ■ 2020

Dialog necessary (1 and 2): constant coordination and continuous dialog with the supplier with regard to sustainability
 Persuasive communication (3): focused on convincing the supplier to take measures in the area of sustainability
 Informative communication (4): explaining the reasons behind the Boskalis sustainability policy to enable an organization to adopt this internally
 Standard communication (5): general discussions on sustainability; keeping up to date on each other's developments

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, the continuity of the company and for setting out and realizing the company's strategy for the long-term value creation as well as for the culture, opportunities and risks and the results of the company. The Board of Management is responsible for establishing the company's objectives, implementing its business policies and for the resulting performance. The Board of Management is accountable to the Supervisory Board and the General Meeting of Shareholders. In performing its tasks, the Board of Management is guided by the interests of the company and its activities, the markets the company is operating in, and takes into account any relevant interests of parties involved with the company.

The Supervisory Board is responsible for supervising the Board of Management on the formulation and implementation of the strategy for the realization of the long-term value creation. Furthermore, the Supervisory Board is responsible for supervising management performance regarding the general affairs of the company and advising the Board of Management. In doing so the Supervisory Board also focuses on the effectiveness of the company's internal risk management and control systems and the integrity and quality of the financial reporting. The Supervisory Board is supported in its work by three core committees: the Audit Committee, the Remuneration Committee and the Selection and Appointment Committee. For a summary of the activities of the Supervisory Board and its committees in 2020, please refer to pages 27-28 of our Annual Report 2020.

At Boskalis there is close collaboration between the Supervisory Board and its committees, the Board of Management and the stakeholders. The Board of Management and the Supervisory Board are jointly responsible for looking after the interests of our stakeholders, which includes creating long-term value.

The company has a Group Management, consisting of the members of the Board of Management and the Group Directors. The Group Management meets on a regular basis in order for the Board of Management to obtain a full overview of the activities in the divisions of the company, to align the day-to-day management across the company and to ensure optimal exchange of information between the divisions.

Our stakeholders are those groups and individuals that directly or indirectly influence the company's activities, or are influenced by them. They include the employees, shareholders and financial institutions, suppliers, clients, government bodies, educational and

knowledge institutes, industry and society associations (including NGOs) and the communities in which Boskalis operates. At least one General Meeting of Shareholders takes place every year. Its tasks include the adoption of financial statements and it holds authority with regard to the appointment and dismissal of Supervisory Board members and the members of the Board of Management.

The interests of employees are promoted by the Works Council, which provides ongoing employee representation as required under the Dutch Works Councils Act.

The guiding principles and values relating to our business activities are set out in the Boskalis Code of Conduct and its underlying policies as well as in the Supplier Code of Conduct. In these codes the business ethics are laid down on how employees and suppliers of Boskalis should conduct themselves with regard to, for example, legislation and regulations, human rights and labor, anti-corruption, sanctions, competition, the environment and communities, health and safety, staff and quality. Both codes and the underlying policies are available on the company's website. Boskalis reviews the Boskalis Code of Conduct and the Supplier Code of Conduct on a yearly basis.

In addition, the core values and rules for safety at work are set out in our safety program NINA. The Board of Management regularly stresses the importance of complying with the Boskalis Code of Conduct and the NINA principles. The Board of Management also provides employees with the opportunity to report any suspected misconduct within Boskalis of a general, financial, operational and employment nature which is not in line with the Boskalis Code of Conduct to a confidential independent counselor, without jeopardizing their legal position in accordance with the Speak Up Policy. Furthermore Boskalis offers through the Grievance Policy its external stakeholders the possibility to bring forward their suggestions, ideas and grievances. The Speak Up and Grievance Policies are available on the company's website.

Boskalis has formulated principles on diversity in the Boskalis Code of Conduct. Furthermore a Diversity Policy is available explaining the company's broad view on diversity. Boskalis operates a strict equal opportunities policy for all employees, the Board of Management and the Supervisory Board, regardless of race, color, nationality, ethnic background, age, religion, political opinion, gender, pregnancy, sexual orientation, marital status, disability, trade union membership or any other characteristic protected by applicable law. The principle of the best person for the job is leading. The Diversity Policy is also available on www.boskalis.com.

SUSTAINABILITY STRATEGY AND REPORT

The sustainability principles of Boskalis are set out in the Boskalis Code of Conduct and the underlying Environmental and Social Policy and the Human Rights and Labor Policy.

The Board of Management is responsible for the company's sustainability strategy. It is supported in this role by the Energy Management and Eco-Engineering task forces. The SHE-Q manager reports to the Board of Management on safety-related topics. With regard to HR-related objectives, the HR director reports to the Board of Management. The business unit directors and the heads of the relevant staff departments report to the Board of Management on respective sustainability key performance indicators.

This Sustainability Report was drawn up under the responsibility of the Director of Investor Relations & Corporate Communications who also reports directly to the Board of Management. The report is reviewed by the Board of Management of Boskalis and is discussed in its entirety with the Supervisory Board.

In 2020 the Supervisory Board held five regular meetings with the Board of Management and Group Management of the company. Within these specific attention was paid to the company's policy on safety, health and the environment and the societal aspects of doing business, as well as the development of the safety results.

In light of the health and safety of personnel, the Supervisory Board paid serious attention to the effect of the COVID-19 pandemic on Boskalis, the crews and its employees. In particular the Supervisory Board addressed the measures the Board of Management has undertaken with regard to the prevention of contamination on vessels, projects and offices, the internal and

external communications on this topic, and all actions to support the physical and mental wellbeing of the employees during extended working periods on board of the vessels or on projects, complicated travel arrangements, quarantine or working from home.

Attention was also paid to sustainability, with a comprehensive discussion by the Supervisory Board of the Boskalis Sustainability Report. In the discussion on the new Corporate Business Plan 2020-2022, the Supervisory Board paid among others attention to the energy transition and the valuable role Boskalis can play in the necessary climate adaptation. In that light also the new formulated purpose for the company, that Boskalis creates and protects welfare and advances the energy transition, was addressed and found fitting as a sustainable ambition for the company. The Board of Management presented to the Supervisory Board the further initiatives to reduce CO₂ emissions of its fleet by researching the application of other energy sources. The Supervisory Board also paid attention to the contracts concluded with the NGO Wetlands International to investigate and develop sustainable wetlands that have the ability to absorb CO₂.

The Supervisory Board also discussed the introduction of the new compliance framework with the updated Boskalis Code of Conduct and its underlying policies as well as the refreshed Supplier Code of Conduct.

For the reports of the Supervisory Board, the Board of Management, our corporate governance policy, terms of office and our organization – including the composition of the Supervisory Board and the Board of Management – please refer to our Annual Report 2020, the Remuneration Report and our corporate website.



APPENDIX



88	ABOUT THIS REPORT
90	GRI CONTENT INDEX
92	BOSKALIS APPROACH FOR MANAGING POTENTIAL ADVERSE IMPACT
93	HOW WE ENGAGED
94	HR DATA
97	SHE-Q DATA
98	INDEPENDENT LIMITED ASSURANCE STATEMENT
99	GLOSSARY

ABOUT THIS REPORT

PURPOSE AND SCOPE OF THE REPORT

We have been reporting on our sustainability strategy, performance and results in a separate Annual Report since 2009. The scope of our sustainability reporting is based on the information requirements of our key stakeholders. Our key stakeholders either have an influence on our license to operate or can be significantly impacted by our activities. In order to ensure we meet their information requirements we updated our materiality analysis in 2019 and will continue to do so at least every second year, alongside keeping track of key developments in the meantime. Boskalis management selected relevant material themes and topics derived from Boskalis' strategy, its activities as well as from international guidelines, regulations and legislation. More than 85 stakeholders from our key stakeholder groups were consulted. An online survey, complemented by desk research and interviews was used to determine how important the individual topics were to the stakeholders. The Boskalis group management also participated in the survey to determine the importance of the topics for Boskalis. Based on the results of this process, the materiality matrix was drawn up. The materiality analysis provided valuable input for the update of our sustainability strategy and reporting. It confirmed that both of these are considered relevant and significant by our stakeholders.

The sustainability report includes only sustainability data from entities that are fully or majority owned and from joint ventures in which Boskalis has a controlling interest. However, Boskalis relies on a significant number of contractors to perform daily activities. Boskalis acknowledges its responsibility for the safety of its contractors and therefore includes contractors in its safety performance reporting. Divestments are reported in accordance with the financial reporting rules for consolidation. This means that acquisitions are reported as from the moment control (ownership) is acquired. Divestments are reported up to the moment that control is relinquished. Included in this report is data from Horizon and Gardline which were acquired in 2019. Please refer to our Annual Report for an overview of acquisitions and divestments in 2020.

REPORTING PROCESS

The sustainability report is compiled by a multidisciplinary team under the responsibility of the Board of Management. Its content was discussed in its entirety with the Supervisory Board. The consolidation of sustainability data 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 via a dedicated online SAP-based reporting tool, which is monitored by our Group Accounting &

Reporting department, in close consultation with our Corporate Communications department that is responsible for the production of the Sustainability Report. In addition, as in previous years, a number of internal audits were conducted on material sustainability topics and indicators in 2020. Although we are confident that our internal audit ensures a reasonable level of data reliability we have our sustainability information verified by an external accountant.

REPORTING PRINCIPLES

Our Sustainability report and the sustainability data is prepared in accordance with our reporting principles, which are based on the international reporting guidelines of the Global Reporting Initiative (GRI) standards. The GRI reference table is included on pages 90-91 of the report. KPIs are selected on the basis of interactive stakeholder dialog and the strategic issues relevant to Boskalis' operations.

EXTERNAL VERIFICATION

The information contained in this report faithfully represents the outcome of systematic data gathering and analysis. As in previous years, Boskalis appointed an external assurance provider to verify its key sustainability metrics. Please refer to page 98 for the assurance report and conclusion of our external assurance provider.

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. We aim to ensure reliability of our reported data by performing internal audits and externally verifying our data. However, due to generic challenges in the data collection process and the nature of sustainability data there are limitations associated with measuring and calculating data. Here we elaborate on the methodology, calculations and inherent limitations of the data. No changes were made to definitions and measurement methods of the reported data compared to the 2019 reporting period.

HR DATA

The detailed HR data in this report covers our own employees and excludes the employees of joint ventures and the employees seconded from other companies to Boskalis (e.g. Anglo Eastern, crew of the former Dockwise vessels). For our detailed HR reporting, please refer to page 94.

CO2 DATA

The CO₂ data covers all fuel consumed by vessels of the Dredging & Inland Infra and Offshore Energy divisions. ISO and ISM standards are used for the conversion of fuel to CO₂. The following ISO and ISM standards are used for the conversion of fuel to CO₂:

- 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
- Conversion of m³ of biofuel to CO₂ takes place according to DEFRA carbon emission factors, using the following conversions factor per MT of fuel:
 - Biofuel 0.1863 MT CO₂

The energy use and associated CO₂ emissions from our offices in the Netherlands are from renewable sources and are therefore excluded from the CO₂ data in this report.

SAFETY DATA

Our safety data covers all our own employees including subcontractors that work under our supervision. Lost Time Injury (LTI) expresses the number of workplace accidents serious enough to result in absence from work. Lost Time Injury Frequency (LTIF) expresses the number of workplace accidents resulting in absence from work per 200,000 hours worked. The LTIF overview on page 97 shows a breakdown for the various divisions. In addition to LTIF, we also provide the Total Recordable Injury Rate (TRIR). TRIR is composed of LTIs, Medical Treatment Cases and Restricted Work Cases, per 200,000 hours worked.

SUPPLY CHAIN DATA

The supply chain data refers to the procurement spend by the strategic suppliers of the Central Procurement department. 212 of these suppliers are regarded as strategic partners who account for some 90% of the Corporate Procurement department's purchasing volume.

REVENUE PER PRIORITY SDG

For revenue mapping to the SDG's, each project is assigned a pre-determined sustainability tag. A project can only have one Sustainability tag. Even if a project contributes to multiple SDG sub targets, there is no disaggregation of revenue within a project to multiple tags; the largest revenue share determines which tag is applicable to any given project. There is one exception: SDG 8 Decent Work and Economic Growth. In principle, all projects contribute to this overarching SDG. Per SDG, the following types of projects are presumed to contribute to the SDG goals:

- SDG 7 - Affordable and Clean Energy: Includes all projects and services primarily related to energy transition including renewables, (natural) gas, and all decommissioning related activities;
- SDG 9 - Industry, Innovation and Infrastructure: Includes all projects and services primarily to the maintenance and/or development of maritime infrastructure such as ports, land reclamation, inland infra such as road related developments;
- SDG 13 - Climate Action: Includes all projects and services primarily related to adaptive measures against climate change such as protection of land from flooding, development of polders and dike related activities;
- SDG 14 - Life Below Water: Includes all projects and services primarily related to the salvaging of vessels;
- SDG 8 - Decent Work and Economic Growth: In principle, all projects contribute to SDG 8.

PUBLICATION DATE

The Sustainability Report 2020 was published at the same time as the Annual Report 2020 on 4 March 2021 on the corporate website.

CONTACT

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

Claire Bryant
Sustainability Manager
Telephone: +31 78 6969310
Email: csr@boskalis.com
Website: www.boskalis.com/sustainabilityreport

GRI TABLE

GRI CONTENT INDEX

This report follows the GRI Standards, level core. The overview below lists the required disclosures we are reporting on along with the references to the chapters where this information can be found.

GENERAL DISCLOSURES

DISCLOSURE	TITLE	REFERENCE
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	Colophon
102-2	Activities, brands, products, and services	Boskalis at a glance: 8, 9
102-3	Location of the organization's headquarters	Rosmolenweg 20, Papendrecht the Netherlands
102-4	Number of countries operating	Boskalis at a glance: 8, 9
102-5	Nature of ownership and legal form	Corporate Governance: 84, 85
102-6	Markets served	Boskalis at a glance: 8, 9 Our business in a changing world: 12, 13
102-7	Scale of the reporting organization	Diversity and Inclusion: 52, 53 Sustainability Report: Key figures Annual Report: Consolidated Statement of Profit or Loss
102-8	Information on employees and other workers	Diversity and inclusion: 52, 53 Appendix HR Data: 94-96
102-9	Supply chain	Boskalis at a glance: 8, 9 Responsible sourcing: 82, 83
102-10	Significant changes to the organization and its supply chain	Responsible sourcing: 82, 83 Chairman's statement: 4, 5 Annual Report: Financial performance
102-11	Precautionary Principle or approach	Annual Report: Risk management Appendix: Boskalis Approach for managing potential adverse impact: 92
102-12	External initiatives	Boskalis at a glance: 8, 9 Business principles: 78, 79
102-13	Memberships of associations	Boskalis at a glance: 8, 9 Managing our social impact: 70, 71
STRATEGY		
102-14	Statement from senior decision-maker	Chairman's statement: 4, 5
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	Boskalis at a glance: 8, 9 Business principles: 78, 79 Responsible sourcing: 82, 83
GOVERNANCE		
102-18	Governance structure	Corporate Governance: 84, 85
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Managing our social impact: 70, 71 Stronger together: 18, 19
102-41	Collective bargaining agreements	Responsible labor practices: 52
102-42	Identifying and selecting stakeholders	Managing our social impact: 70, 71 Our material topics: 14
102-43	Approach to stakeholder engagement	Managing our social impact: 70, 71
102-44	Key topics and concerns raised	Managing our social impact 70, 71
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	Appendix About this report: 88, 89 Annual Report: Financial performance
102-46	Defining report content and topic Boundaries	Appendix About this report: 88, 89
102-47	List of material topics	Our material topics: 14
102-48	Restatements of information	No restatements were made with regard to information provided in previous Sustainability Reports
102-49	Changes in reporting	Appendix About this report: 88, 89

DISCLOSURE	TITLE	REFERENCE
102-50	Reporting period	1 January 2020 – 31 December 2020
102-51	Date of most recent report	Sustainability Report 2020, published March 2021
102-52	Reporting cycle	Annually
102-53	Contact point for questions regarding the report	Appendix About this report: 88, 89
102-54	Claims of reporting in accordance with the GRI Standards	Cover
102-55	GRI content index	Appendix GRI table GRI content index: 90, 91
102-56	External assurance	Appendix About this report: 88, 89 Independent limited assurance statement: 98

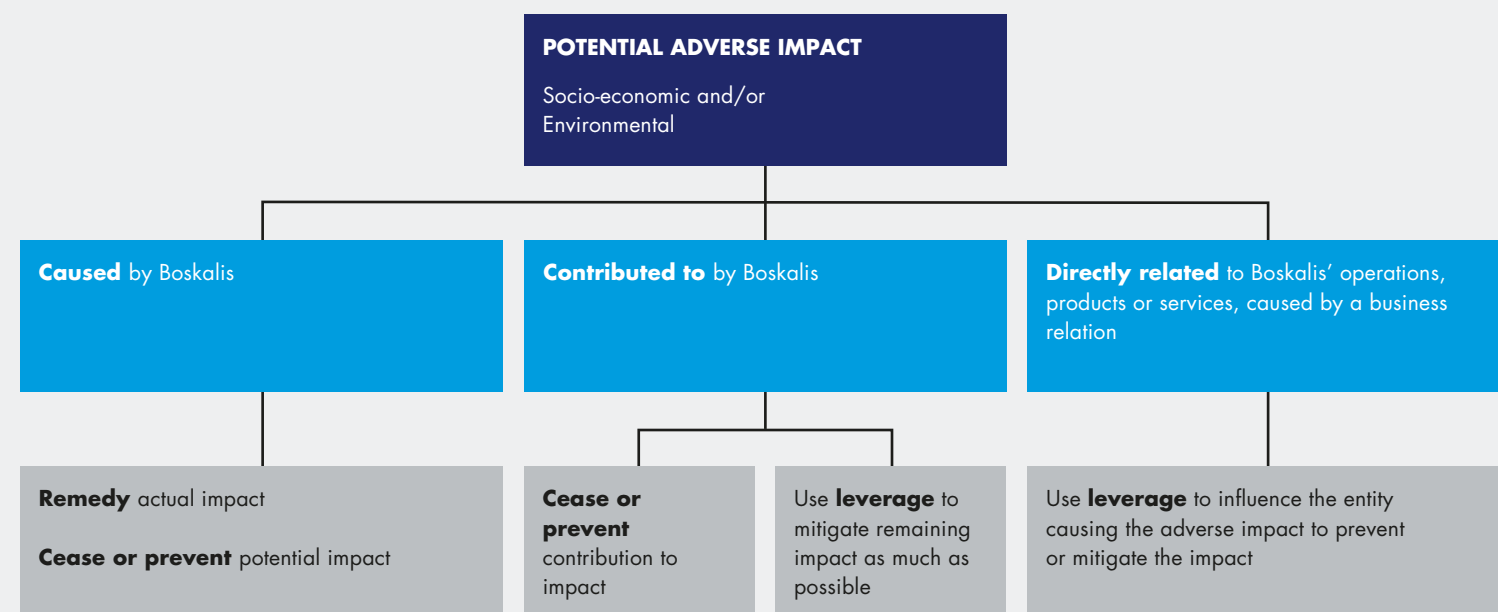
SPECIFIC STANDARD DISCLOSURES

DISCLOSURE	TITLE	REFERENCE
ECONOMIC PERFORMANCE		
GRI 201: ECONOMIC PERFORMANCE		
201	Management approach disclosures	Annual Report: Report of the Board of Management
201-1	Direct economic value generated or distributed	Key Figures
BIODIVERSITY		
GRI 304: BIODIVERSITY (2016)		
304	Management approach disclosures	Sustainability strategy: 15-17 Biodiversity: 62, 63
304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity: 62, 63
CLIMATE CHANGE: MITIGATION		
GRI 305: EMISSIONS (2016)		
305	Management approach disclosures	Sustainability strategy: 15-17 Climate change mitigation: 56-61
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	Climate change mitigation: 56-61
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Climate change mitigation: 56-61
SAFETY		
GRI 403: OCCUPATIONAL HEALTH AND SAFETY		
404	Management approach disclosures	Sustainability strategy: 15-17 Health and safety: 44, 45
404-1	404-1 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Health and safety: 44, 45 Appendix SHE-Q data: 97
EMPLOYEE AND TALENT DEVELOPMENT		
GRI 404: TRAINING AND EDUCATION		
414	Management approach disclosures	Sustainability strategy: 15-17 Talent management and engagement: 48-51
414-1	Average hours of training per year per employee	Appendix HR Data: 94-96
LOCAL DEVELOPMENT		
OWN INDICATOR		
	Management approach	Sustainability strategy: 15-17 Managing our impact on local communities: 68, 69 Managing our social impact: 70, 71
Own indicator	Description of the activities involving supporting local communities	Community contribution in practice: 72, 73
CLIMATE CHANGE ADAPTATION		
OWN INDICATOR		
	Management approach	Sustainability strategy: 15-17 Our business in a changing world: 12, 13 Climate action: 30-33
Own indicator	Description of our climate change adaptation projects	Our business in a changing world: 12, 13 Climate action: 30-33 Managing impact in the Maldives: 74, 75
INNOVATION (SUSTAINABLE)		
OWN INDICATOR		
	Management approach	Boskalis at a glance: 8, 9 Industry, Innovation and Infrastructure: 26-29
Own indicator	The amount and description of innovative pilot projects	Innovations and partnerships in action: 20, 21 Stronger together: 18, 19

BOSKALIS APPROACH FOR MANAGING POTENTIAL ADVERSE IMPACT

Our activities add value for our business and our clients. However, despite our extensive expertise around the implementation of such projects, we are not always in the position to directly influence the overall design or implementation strategy of a project. This could be the case if we become involved at a later stage in the project preparation, as a subcontractor on a project or in the case of countries where the inclusion of environmental or social considerations in contracts are not mandatory by law. In these cases we strive to proactively take measures to identify any environmental and social impact our activities may cause before they occur. We then take appropriate action to avoid, minimize or mitigate them. In those cases where our influence is restricted, we use our leverage by entering into dialog with the relevant stakeholders. Where we can, we aim to promote positive contributions.

For reference, the Boskalis approach for managing potential adverse impact is illustrated below.



Based on OECD Guidelines for Multinational Enterprises.

HOW WE ENGAGED

Engaging in regular dialog with internal and external stakeholders is vital to understand their expectations and interests, allowing us to establish an enhanced understanding of relevant topics. Stakeholder engagement is a core part of the materiality process, but other dialog also takes place across the business in a range of formal and informal capacities. Whilst we have a wide range of stakeholders, we see our key stakeholder groups as being: employees and future talent; clients and their respective project communities; suppliers and subcontractors; NGOs and civil society organizations; investors and shareholders. In 2020 our engagement was affected by COVID-19 but carried on through mainly online approaches as described below. Some engagement was in person whilst others moved online to account for relevant restrictions.

OUR STAKEHOLDERS	HOW WE LISTEN	WHAT THEY TOLD US AND WAS DISCUSSED	WHAT WE DID
Employees and future talent	COVID-19 employee survey Workers council NINA (Safety) meetings WoW (Quality) meetings Sustainability meetings Website and internal media Visits by management to vessels and projects Graduate recruitment days Family days Supervisory board workshop	Overall results of engagement identify that in 2020 employees: <ul style="list-style-type: none"> Wish to be kept informed about Boskalis strategy, activities, projects and COVID-19 developments/ measures Want more clarity on career paths and opportunities in Boskalis Need more ways to exchange information and knowledge across the company Want more clarity and information on what the company is doing with regard to sustainability 	In response to employee and other dialog Boskalis has: <ul style="list-style-type: none"> Developed the Vitality Portal Run remote leadership modules COVID-19 test street Established a Quarantine Support Team "Yourizon" internal news platform Stay Connected activity program and live event Expanded personal development programs and launched an online learning academy Renewed our performance management process Added more disciplines to the standard career path overviews <p>Read more on these activities on pages 10 and 48 of the report, and on our response to COVID-19 on page 10</p>
Clients	Conferences and exhibitions Press releases and websites Client meetings during project execution Meetings, personal contact, email, telephone	Differs by client and is collected on an ad hoc basis. Safety, responsible labor practices, and business conduct remain most important issues for our clients across the board. However increasingly and in certain regions climate change, biodiversity and social impact are becoming imperative.	Based on individual client feedback we tailor our responses.
Suppliers and subcontractors	Meet the buyer sessions Supplier code of conduct implementation scans Meetings, personal contact, email, telephone Conferences and exhibitions	Varies by organization and is collected on an ad hoc basis. For example, the areas of renewable energy and health and safety arise in discussions, as did the cascading of our Supplier Code of Conduct.	You can read more about supplier engagement on page 82.
Local communities, NGOs and civil society organizations	Project level meetings with communities Grievance mechanisms on projects Multi-stakeholder platforms Speaking engagements, conferences and exhibitions	Biodiversity, social impact and sustainable innovation are key issues for Boskalis to address.	Establish new collaborations and internal processes to advance our approaches on these topics. See following pages for more information. Innovation: page 20 Biodiversity: page 62 Social Impact: page 70
Investors and shareholders	Over 200 virtual investor meetings Virtual investor conferences Press releases and website Webcast presentations financial results	<ul style="list-style-type: none"> Business Strategy COVID-19 impact updates Financial results and outlook Developments in our end markets and project pipeline Opportunities presented by the energy transition Capital allocation including M&A and divestments 	<ul style="list-style-type: none"> Launch Corporate Business Plan 2020-2022 Launched an updated sustainability strategy as an important cornerstone of the new corporate business plan Set a CO₂ reduction target in line with Paris Agreement

HR DATA

The employees of joint ventures and the employees of Anglo Eastern, crew of the former Dockwise vessels, are included in the overall reporting in view of this group's substantial size. However, these employees are not employed by a Boskalis majority owned entity and are not included in the detailed reporting.

NUMBER OF EMPLOYEES

	2020	2019	NATIONALITIES	2020	2019
Boskalis	6,137	5,812	Number of different nationalities	84	79
Anglo Eastern	1,347	1,321			
Subtotal	7,484	7,133	WOMEN/MEN RATIOS	2020	2019
Joint Ventures	2,429	2,471	Women	14%	14%
TOTAL	9,913	9,604	Men	86%	86%
			TOTAL	100%	100%

COMPOSITION OF WORKFORCE

NUMBER OF EMPLOYEES BY COUNTRY	2020	2019
Netherlands	3,268	3,339
United Kingdom	812	749
United Arab Emirates	575	148
Germany	290	331
Cyprus	209	232
Singapore	182	74
Lithuania	164	146
Finland	158	150
Belgium	95	93
Poland	52	47
Nigeria	37	37
Mexico	33	68
Russian Federation	22	52
Estonia	21	20
Indonesia	20	0
Latvia	20	20
Panama	19	10
Saudi Arabia	18	0
United States	18	20
China	12	13
Sweden	12	11
Australia	11	52
Egypt	10	1
Philippines	10	59
Other	69	135
TOTAL	6,137	5,812

TYPE OF CONTRACT BY GENDER	TOTAL 2020	FEMALE : MALE	2019
Fixed term/project based	17%	12% : 88%	15%
Permanent/indefinite	83%	15% : 85%	85%
TOTAL	100%		100%

FULLTIME/PARTTIME RATIOS BY GENDER	TOTAL 2020	FEMALE : MALE	2019
Fulltime	91%	11% : 89%	92%
Parttime	9%	47% : 53%	8%
TOTAL	100%		100%

AGE PROFILE BY GENDER	TOTAL 2020	FEMALE : MALE	2019
Age <30	14%	21% : 79%	15%
Age 30 – 50	59%	15% : 85%	57%
Age >50	27%	10% : 90%	28%
TOTAL	100%		100%

COLLECTIVE BARGAINING AGREEMENTS BY GENDER	TOTAL 2020	FEMALE : MALE	2019
No	61%	18% : 82%	68%
Yes	39%	8% : 92%	32%
TOTAL	100%		100%

TRAINING

TRAINING HOURS BY JOB CATEGORY AND GENDER	TOTAL 2020	FEMALE : MALE	2019
Management	769	165 : 604	1,891
Office staff	8,700	2,238 : 6,417	20,358
Project staff	16,698	1,367 : 15,331	30,467
Crew/yard staff	26,189	282 : 25,907	44,645
TOTAL	52,356		97,361

RECRUITMENT

INFLOW BY AGE BY GENDER	TOTAL 2020	FEMALE : MALE	2019
Age <30	20%	20% : 80%	25%
Age 30 – 50	65%	13% : 87%	54%
Age >50	15%	9% : 91%	21%
TOTAL	100%		100%

OUTFLOW BY REASON BY GENDER	TOTAL 2020	FEMALE : MALE	2019
Divestments	0%	0% : 0%	0%
End of project/contract	51%	9% : 91%	71%
Voluntary resignation	25%	15% : 85%	18%
Retirement/death	4%	7% : 93%	3%
Termination	21%	23% : 77%	8%
TOTAL	100%		100%

OUTFLOW BY AGE BY GENDER	TOTAL 2020	FEMALE : MALE	2019
Age <30	19%	18% : 82%	16%
Age 30 – 50	58%	14% : 86%	60%
Age >50	24%	8% : 92%	24%
TOTAL	100%		100%

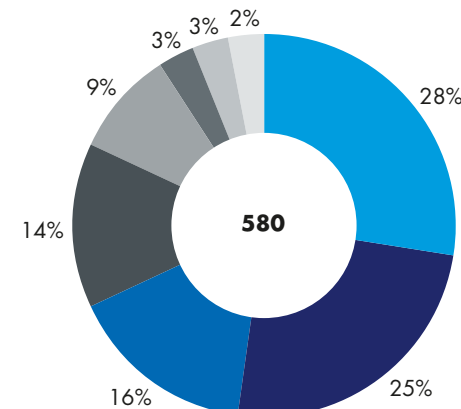
JOB CATEGORY PROFILE

JOB CATEGORIES BY GENDER	TOTAL 2020	FEMALE : MALE	2019
Management	3%	9% : 91%	3%
Office staff	31%	34% : 66%	35%
Project/Site Staff	31%	8% : 92%	28%
Workforce/Crew	34%	2% : 98%	34%
TOTAL	100%		100%

JOB CATEGORIES BY AGE	2020			2019		
	<30	30 T/M 50	>50	<30	30 T/M 50	>50
Management	2%	51%	46%	2%	46%	51%
Office staff	13%	63%	25%	15%	61%	24%
Project staff	17%	61%	21%	20%	58%	22%
Crew/yard staff	12%	55%	33%	14%	53%	33%
TOTAL	14%	59%	27%	15%	57%	28%

SHE-Q DATA

INCIDENTS 2020



- Struck by/against
- Equipment failure
- Caught between/in/on
- Falling/slipping/tripping
- Contact with (heat, dust, etc.)
- Overstress, overpressure, overexertion, ergonomic
- Security (threat, attack, robbery, theft)
- Other

INCIDENT REPORTS 2020

Fatality	-
Lost Time Injury (incl. fatalities)	9
Restricted Work Case	19
Medical Treatment Case	29
First Aid Case	103
Occupational Health Injury / Disease	5
Near Miss	289
High Potential Incidents	4
Environmental incidents	38
Safety Hazard Observation Card	19,754

	2020				2019			
	TRIR	LTIF	HOURS (MILLION)	LTI'S	TRIR	LTIF	HOURS (MILLION)	LTI'S
Dredging and Inland Infra	0.50	0.08	14.80	6	0.58	0.05	14.26	4
Offshore Energy	0.19	0.04	16.92	3	0.18	0.01	14.11	1
Towage (Northwest Europe) & Salvage	1.28	0.00	0.78	0	0.52	0.21	0.97	1
Others	0.00	0.00	3.60	0	0.31	0.00	6.40	0
GROUP TOTAL	0.32	0.05	36.10	9	0.37	0.03	35.72	6

OVERVIEW OF CERTIFICATIONS BOSKALIS

	ISO 14001	ISO 45001 ¹⁾	ISO 9001
DREDGING & INLAND INFRA	✓	✓	✓
OFFSHORE ENERGY	✓	✓	✓
SALVAGE	✓	✓	✓

1) VCA only for projects and activities carried out in the Netherlands, instead of ISO 45001

INDEPENDENT LIMITED ASSURANCE STATEMENT

To the Stakeholders of Royal Boskalis Westminster N.V.

Introduction and objectives of work

Bureau Veritas Inspection & Certification The Netherlands B.V. (Bureau Veritas) was engaged by Royal Boskalis Westminster N.V. (Boskalis) to provide limited assurance over selected performance indicators to be presented in its sustainability report 2020 ("the Report"). This Assurance Statement applies to the related information included within the scope of work described below.

Scope of work

The scope of our work was limited to assurance over the following information included within the Report for the period 1st January to 31st December 2020 (the 'Selected Information'):

- Direct greenhouse gas (GHG) emissions (Scope 1);
- Fuel consumption of marine gas oil (MGO) and heavy fuel oil (HFO) from the fleet;
- Number of employees broken down by:
 - employment contract (permanent or temporary contract) and by gender;
 - employment type (part-time, full-time) and by gender;
 - country and number of nationalities;
- Inflow and outflow of employees broken down by age (<30, 30-50, >50) and gender, and outflow by reason;
- Percentage of employees covered by collective bargaining agreements broken down by gender;
- Composition of workforce broken down by gender and by age (<30, 30-50, >50);
- Number of training hours broken down by gender and by job category (management, office staff, project staff, crew/yard staff);
- Talent management and engagement;
- Lost Time Injury Frequency (LTIF) and Total Recordable Injury Rate (TRIR);
- Total number of Lost Time Injuries (LTIs) and fatalities;
- Prevention of occupational and other diseases;
- Spend represented by strategic suppliers; and
- Percentage of strategic suppliers who have signed the Boskalis Supplier Code of Conduct.

Reporting criteria

The Selected Information are reported according to the Boskalis "Reporting Principles", a copy of which is available in the Appendix of the Report.

Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period;
- Positional statements of a descriptive or interpretative nature, or of opinion, belief, aspiration or commitment to undertake future actions;
- Financial data taken from the Annual Report and disclosed in the Report which are audited by an external financial auditor, including but not limited to any statements relating to production, tax, sales, and financial investments; and
- Other information included in the Report other than scope defined above.

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Responsibilities

The preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of Boskalis.

The responsibilities of Bureau Veritas were to:

- Obtain limited assurance over the Selected Information;
- Form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- Report our conclusions to the Board of Management.

Assessment Standard

We performed our work to a limited level of assurance in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15, 2015), issued by the International Auditing and Assurance Standards Board.

Summary of work performed

As part of our independent verification, our work included:

1. Conducting interviews with relevant personnel of Boskalis;
2. Reviewing the data collection and consolidation processes used to compile the Selected Information, including assessing assumptions made, collection processes, and the data scope and reporting boundaries;
3. Reviewing documentary evidence produced by Boskalis;
4. Confirming the accuracy of a selection of the Selected Information to the corresponding source documentation;
5. Reviewing Boskalis systems for quantitative data aggregation and analysis;
6. Performing analytical procedures of the Selected Information;
7. Re-performing aggregation calculations of the Selected Information; and
8. Assessing the disclosure and presentation of the Selected Information to ensure consistency with assured information.

Conclusion

On the basis of our methodology and the activities described above, nothing has come to our attention to indicate that the Selected Information is not fairly stated in all material respects.

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 190 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 Quality Management System which complies with the international standards 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.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA)¹, 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.

The assurance team for this work does not have any involvement in any other Bureau Veritas projects with Boskalis.



Bureau Veritas Inspection & Certification The Netherlands B.V.
Computerweg 2 3801 Amersfoort, 3 March 2021

¹ International Federation of Inspection Agencies – Compliance Code – Third Edition

GLOSSARY

Ballast water Used in ships to improve depth, stability and strength when the ship is not fully loaded. It can have a negative environmental impact due to the spread of invasive species.

BlueScan Tool that allows companies throughout the entire maritime sector to execute assessments of the sustainability level of their suppliers.

Building with Nature Innovation program that focuses on sustainable hydraulic engineering concepts for river, coastal and delta areas. Using the natural system as a basic point of departure, it uses ecosystems to meet society's infrastructural needs while boosting the development of nature at the same time.

Cash flow Group net profit + depreciation + amortization + impairment losses.

CEDA The Central Dredging Association, an independent forum for all stakeholders involved in dredging and the wider associated industries in Europe, Africa and the Middle-East.

CO₂ Carbon dioxide is an odorless and colorless gas that exists in the earth's atmosphere.

CSR Corporate Social Responsibility, which is a self-regulating business model that helps a company be socially accountable – to itself, its stakeholders and the public.

Decommissioning Dismantling and/or removal of oil and gas rigs which have been permanently taken out of service.

DP Dynamic positioning, a computer-controlled system to automatically maintain a vessel's position and heading by using its own propellers and thrusters.

Drop-in biofuels Produced from biomass and an alternative to existing liquid fuels, without requiring any significant modification in engines or installations.

EBIT Earnings before interest and tax.

EBITDA EBIT before depreciation, amortization, impairment and other exceptional charges.

EuDA The European Dredging Association, which is a non-profit industry association for European dredging companies and related organizations.

EU Green Deal The European Green Deal is a set of policy initiatives by the European Commission with the overarching aim of making Europe climate neutral in 2050.

Energy transition Building towards a society that is less dependent on fossil fuels.

Environment and Social Impact Assessment (ESIA) Widely used method to analyze, assess and measure the social and environmental effects of a project on the community and the natural surroundings.

Global Commission on Adaptation aims to inspire heads of state, government officials, community leaders, business executives, investors and other international actors to prepare for and respond to the disruptive effects of climate change with urgency, determination and foresight.

Global Reporting Initiative International organization that develops global standards for sustainability reporting.

Green valve System to exclude air bubbles during the overflow from the hold of a trailing suction hopper dredger from excess water containing fine sediment. The sediment reaches the bottom more rapidly, decreasing the turbidity in the water column.

GT Gross tonnage.

HFO Heavy Fuel Oil.

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

IMO Ballast Water Management Convention The International Convention for the Control and Management of Ships' Ballast Water and Sediments is a 2004 international maritime treaty which requires signatory flag states to ensure that ships flagged by them comply with standards and procedures for the management and control of ships' ballast water and sediments.

IFC International Finance Corporation. The IFC's Environmental and Social Performance Standards define IFC clients' responsibilities for managing their environmental and social risks.

IMCA International Marine Contractors Association, a leading international trade association for the marine contracting industry. It is a not for profit organization with members representing the majority of worldwide marine contractors in the oil and gas and renewable energy industries.

International Salvage Union, facilitating world trade by providing marine services which save life, protect the environment, mitigate risk and reduce loss.

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 issued by the International Organization for Standardization. Standards include quality management systems (ISO-9001) and environmental management systems (ISO-14001).

IUCN The International Union for Conservation of Nature, an international organization working in the field of nature conservation and sustainable use of natural resources. It is involved in data gathering and analysis, research, field projects, advocacy, and education.

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

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

LNG Liquefied Natural Gas.

MARIN The Maritime Research Institute Netherlands, a provider of advanced expertise and independent research to the maritime industry.

MARPOL The International Convention for the Prevention of Pollution from Ships, which is the main international convention covering prevention of pollution of the marine environment by ships from operational or accidental causes.

MDO/MGO Marine Diesel Oil/Marine Gas Oil.

MT Metric Ton.

Net Group profit Net profit + net profit attributable to non-controlling interests.

NEVI Code of Conduct Helps procurement professionals, as well as all other parties/ stakeholders in the procurement process, deal with the ethical dilemmas they face in their work. The code is based on four core values: business ethics, expertise and objectivity, open competition, and sustainability.

NGO Shipbreaking Platform Coalition of 19 environmental, human rights and labor rights organizations working to prevent the dangerous pollution and unsafe working conditions caused when end-of-life ships containing toxic materials in their structure are freely traded in the global marketplace.

NINA (No Injuries No Accidents) Boskalis safety program to achieve an incident and accident-free working environment. 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 to prevent unsafe situations.

OECD Guidelines for Multinational Enterprises Recommendations that provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognized standards.

Operating result EBIT minus exceptional items.

Order book Contract revenue as yet uncompleted.

PIANC The World Association for Waterborne Transport Infrastructure, a global organization providing guidance and technical advice for a sustainable waterborne transport infrastructure to ports, marinas and waterways.

PCR A Polymerase Chain Reaction test. This is a diagnostic test that determines if someone is infected by analyzing a sample to see if it contains genetic material from the virus.

Return on equity Net profit as % of average shareholders' equity.

Rijkswaterstaat The Dutch Ministry of Infrastructure and Water Management.

Scope 1 and 2 emissions Categories for reporting greenhouse gas emissions. Scope 1 are emissions from sources that are owned or controlled by the organization. Scope 2 are emissions from consumption of sources of energy generated upstream from the organization.

Safety Hazard Observation Card (SHOC) Used to report hazards and suggestions for improving safety. SHOC trend analysis gives insight in how people experience safety in their daily work.

SHE-Q Safety, Health, Environment and Quality.

Solvency Group equity as % of balance sheet total (non-current assets plus current assets).

Sustainable Development Goals (SDGs) Set of seventeen goals with specific targets. Formulated by the United Nations through a deliberate process involving its 193 Member States, as well as global civil society, the goals define the global sustainable development priorities and aspirations for 2030.

Supplier Code of Conduct Requirements drawn up by Boskalis for its suppliers of products and services. Boskalis wants to do business with suppliers who act responsibly and with integrity. The Code is an integral part of any agreement between supplier and Boskalis.

TKI Maritiem A maritime consortium for knowledge and innovation, commissioned by the Dutch Ministry of Economic Affairs and Climate Policy.

TRIR Total Recordable Injury Rate, which is the number of LTIs, restricted work cases and medical treatment cases per 200,000 hours worked.

Turbidity Caused by churning up the seabed or riverbed 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.

VLCC Very Large Crude Carrier.

Waste Shipment Regulation (WSR) EU regulation regarding the shipment of waste across borders. It includes a ban on the export of hazardous wastes to non-OECD countries, as well as a ban on the export of waste for disposal.

WoW Boskalis Way of Working, our quality management system that aims to achieve operational excellence with a clear focus on safe and sustainable solutions and a consistent client approach.

COLOPHON

Compiled and coordinated by

Royal Boskalis Westminster N.V.

Corporate Communications Department

Group Controlling Department

www.boskalis.com



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