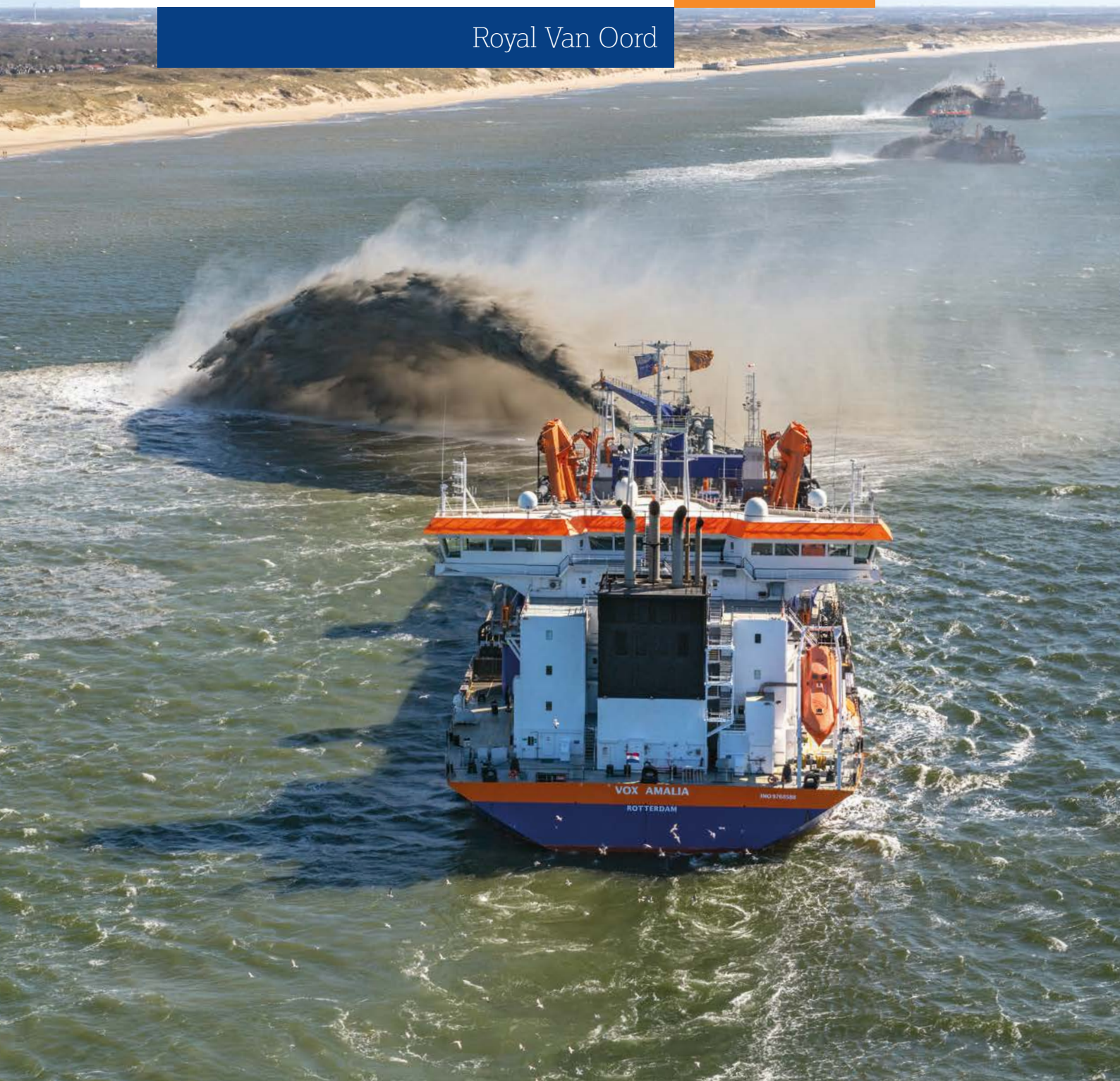


Annual Report 2020

Royal Van Oord



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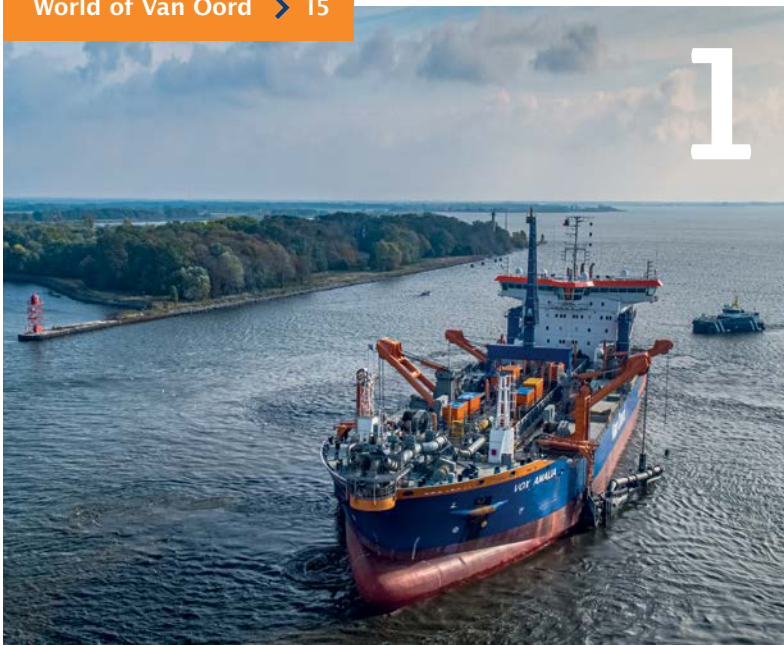
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Cover photo The brand-new trailing suction hopper dredger Vox Amalia reinforced the coast at Den Helder by using more than 3.5 million cubic metres of sand. Midway through the project, the HAM 317 and the Volvox Olympia joined the Vox Amalia.

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* Sections marked with an * are part of the directors' report as defined in the Dutch Civil Code.

Key figures

(all amounts in million Euros)

	2020	2019	2018	2017	2016
Net revenue	1,677	1,644	1,876	1,530	1,713
EBITDA **	226	254	306	290	333
Depreciation and amortisation	167	166	161	157	187
EBIT **	59	88	145	133	147
Net profit	33	46	92	78	90
Total equity and liabilities	2,458	2,414	2,530	2,530	2,647
Equity	1,015	1,008	999	943	905
Long-term loans	244	415	207	412	466
Cash	268	108	287	316	280
Net debt	-24	307	78	43	79
Order book **	3,553	3,610	3,676	3,395	3,271
Cash flow from operating activities	476	30	128	178	308
Cash flow from investment activities	-120	-222	-120	-103	-232
Cash flow from financing activities	-191	10	-34	-39	-114
Net cash flow	165	-181	-26	36	-38
Dividend	16	21	40	34	39
Return on equity **	3.3%	4.6%	9.5%	8.5%	10.0%
Return on capital employed **	3.6%	5.5%	9.3%	8.3%	9.4%
EBITDA/net revenue	13.5%	15.5%	16.3%	19.0%	19.4%
Net profit/net revenue	2.0%	2.8%	4.9%	5.1%	5.3%
Equity/total assets (solvency) **	41.3%	41.8%	39.5%	37.3%	34.2%
No. of employees in full-time equivalents at 31 December	4,369	5,217	4,954	4,454	4,816
Ratio male/female % *	86/14	85/15	86/14	87/13	85/15
Number of nationalities employed by Van Oord	73	71	74	68	68
Number of participants in training courses	2,842	5,447	3,353	3,501	3,997
Absence due to illness (in % of Dutch payroll) *	4.1	4.2	4.0	3.5	3.8
Accident frequency in TRIR *	0.48	0.65	0.67	0.73	1.04
Accident frequency in LTIFR *	0.18	0.23	0.18	0.19	0.20
Carbon footprint (tonnes) *	589,068	639,753	576,516	676,661	704,216
Fleet energy-efficiency improvement over 2010 (cumulative)	8.7%	8.2%	7.4%	6.0%	5.6%

* see list of terms

** see list of financial terms



Founder's mentality

We are a Dutch family-owned company with over 150 years of experience as an international marine contractor. Marine ingenuity is our signature and the spark that lights the spirit of our professionals. It drives our pursuit to make the world a better place for future generations. In 2018, Van Oord received the right to use the Royal designation. It crowns the 150 years of entrepreneurship, spirit and perseverance displayed by our predecessors and employees.



*Trailing suction hopper dredger
Vox Amalia near the Dutch coast.*

| Van Oord in brief

4 Market drivers



Climate change
and rising sea level



Maritime transport



Urbanisation
and infrastructure



Growing demand
for energy and the
energy transition

Purpose

Our purpose is to create a better world for future generations by delivering Marine ingenuity.

Mission

As a global marine contractor with over 150 years of experience, we focus on dredging and marine construction, offshore wind, offshore infrastructure, and infrastructure in the Netherlands. We work closely and safely with our clients and stakeholders to create innovative and sustainable solutions.

Values

we (**create
care
work together
succeed**)

Ownership



Shareholders
Van Oord N.V.

MerweOord B.V.

78.5%

ConsOord B.V.

10.75%

Ulran S.A.

10.75%

Seven UN Sustainable Development Goals

These seven goals reflect Van Oord's main business drivers and impact areas.

7 AFFORDABLE AND
CLEAN ENERGY



8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



11 SUSTAINABLE CITIES
AND COMMUNITIES



13 CLIMATE
ACTION



14 LIFE
BELOW WATER



17 PARTNERSHIPS
FOR THE GOALS



Revenue per business unit*



Dredging

598

2019: 690



Offshore Wind

632

2019: 571



Offshore

211

2019: 210



Netherlands

236

2019: 173

Revenue*



1,677

2019: 1,644

Order book*



3,553

2019: 3,610

Countries

36



186

Projects

* million Euros

Safety



Total Recordable
Injury Rate (TRIR)

0.48

2019: 0.65



Lost Time Injury
Frequency Rate (LTIFR)

0.18

2019: 0.23

Training courses

Number of participants



2,842

2019: 5,447

People

4,369

employees

2019: 5,217



73

nationalities

2019: 71

86

2019: 85



Male

Female

14

2019: 15

Locations

Europe | Azerbaijan - Baku, Belgium - Sint-Niklaas, Cyprus - Nicosia, Denmark - Copenhagen, Finland - Kokkola, France - Villepinte, Germany - Hamburg, Gibraltar, Ireland - Dublin, Italy - Rome, Kazakhstan - Aktau, Netherlands - Bolsward - Gorinchem - Rotterdam, Norway - Oslo, Poland - Warsaw, Portugal - Lisbon, Romania - Constanta, Russia - St. Petersburg, Spain - Madrid, United Kingdom - Small Dole - Stokesley **America** | Brazil - Rio de Janeiro, Canada - Calgary, Colombia - Bogota, Curaçao - Willemstad, Mexico - Mexico City, Panama - Panama, Peru - Lima, United States - Houston **Africa** | Angola - Talatona-Luanda, Mozambique - Maputo, Nigeria - Ikeja-Lagos, Senegal - Mbour **Middle East & West Asia** | Bahrain - Manama, India - Mumbai, Qatar - Doha, United Arab Emirates - Abu Dhabi - Dubai **Asia & Australia** | Australia - Brisbane, China - Shanghai, Hong Kong, Indonesia - Batam - Jakarta, Japan - Tokyo, South Korea - Busan, Malaysia - Kuala Lumpur, Philippines - Manila, Singapore, Taiwan - Keelung City, Thailand - Bangkok, Vietnam - Hanoi

Resilience required



Nexus and MPI Adventure installing cables for the Hollandse Kust Zuid project.

2020 will go down in history as the year of COVID-19. The world has been shaken up by an unexpected pandemic, much like the outbreak of the Spanish flu 100 years ago. For Van Oord, this has been an extraordinary year as well. ➤

Our company had one of the most challenging years in its more than 150 years of history. COVID-19 is having a major impact on Van Oord, with our worldwide activities, and on our employees. Our first priority is the health and well-being of our people. I am proud how effectively we have acted upon COVID-19 and that we managed to keep our business up and running.

Large groups of employees worked from home for most of the year. Our fleet and project employees regularly faced travel restrictions, quarantines and testing to carry out their work. Schedules for crew changes on our vessels were adjusted to minimise the risk of contamination. Interaction between colleagues and with clients and partners mainly took place online. The speed with which we suddenly communicated via Teams or Zoom was unprecedented. Our IT systems proved sufficiently robust to accommodate this rapid change.

When the entire world went into lockdown in March 2020, we expected it to have far-reaching consequences on our ability to execute our projects. As a precautionary measure, we applied for the temporary emergency bridging measure (NOW). We were fortunately able to conclude that the expected setback did not materialise and, as a result, we did not need to use this scheme. By making the necessary adjustments to projects, we were able to continue making progress: a fine example of resilience.

Market and organisation

In 2020, the COVID-19 crisis sparked the deepest global recession since the 1930s. The oil and gas market in particular was hit hard. The price of oil fell from almost 70 dollars to 20 dollars in May, only to recover later. Most oil and gas companies severely cut their investments, by an average of 35% in 2020. Marine projects were also frequently postponed. The tender volume in a number of activities fell sharply as a result. We responded accordingly. Our priorities were as follows: ensure health and safety of our people, place maximum emphasis on project continuation, cut costs drastically, improve our cash position through rigorous working capital management, communicate clearly with our employees (often online) and temporise investments.

We adapted and restructured the organisation to ensure that we remain competitive and to ensure business continuity. We had to let go a considerable number of employees. This reorganisation affected our worldwide business. This led to a reduction of more than 800 FTEs in the workforce in 2020. This was a difficult process for the employees involved and for us, but it had to be done to allow Van Oord to adapt to new market conditions. Part of the reorganisation involved collective redundancies in the Netherlands. A responsible

social plan was agreed with the Works Council and trade unions for these employees.

Revenue, result and balance sheet

A great effort led to a good performance in 2020. Our people, our mentality and our endurance have again proven to be key. As a result of all the measures we took on the projects, we were able to achieve a higher revenue in the year 2020 than in 2019 (EUR 1,677 million vs EUR 1,644 million). In particular, the revenue of the Netherlands business unit increased considerably, while the revenue of the Dredging business unit decreased further. Our net result decreased from EUR 46 million to EUR 33 million. COVID-19 and the reorganisation burdened us with extra expenses running into the tens of millions of euros. Our order book remained virtually stable (2020: EUR 3,553 million, 2019: EUR 3,610 million). We reduced our cost base at high pace and stepped up our focus on cash management. In the operations we have proven our adaptability. All our projects have continued despite logistical, personal and financial challenges. Our operating cash flow (2020: EUR 476 million, 2019: EUR 30 million) was rock solid, enabling us to turn our net debt at the end of 2019 of EUR 307 million into a net cash position of EUR 24 million at the end of 2020. We are ending this difficult year with a very strong balance sheet.

Organisational structure

On 1 January 2020, we introduced a new management model, namely an Executive Committee, consisting of a CEO, CFO and the four Managing Directors of the Dredging, Offshore Wind, Offshore and Netherlands business units. We are pleased with this new structure. It has prompted this leadership team to focus considerable attention on the contracting and execution of projects (our core activities). The Executive Committee has also stepped up its focus on our key clients, with whom they are in frequent contact. We want to learn what moves our clients. In this new structure, employees and costs are allocated directly to the business units, resulting in better decision-making. As a consequence of the aforementioned reorganisation, the number of employees decreased from around 5,200 in 2019 to around 4,400 in 2020.

Investments

In March 2020, our new trailing suction hopper dredger Vox Amalia was commissioned. This vessel boasts an in-house design and a hopper capacity of 18,000 cubic metres and is suitable for large segment dredging projects. With a draught of less than 10 metres, this ship carries twice as many cubic metres of sand as the previous generation of ships, which are being replaced.

The construction of three new LNG hopper dredgers with a hopper capacity of 10,500 cubic metres at Keppel in Singapore was delayed for a few months due to a COVID-19 lockdown in Singapore. After the summer, work resumed. The first hopper, the Vox Ariane, was launched in January 2021. It will be put into service at the end of 2021. The other two hopper dredgers will follow in 2022. With these three new hopper dredgers, we are largely replacing the mid-class section of our dredging fleet.

We are also building two state-of-the-art water injection dredgers (WIDs) at the Kooiman shipyard in Zwijndrecht. These WIDs will replace the first generation of WIDs, which were put into service around 1990. Van Oord and its legal predecessors invented water injection dredging. We continue to uphold the company's innovative spirit and are still the leader in this working method.

At the end of the year, we were sufficiently confident about the recovery of the global economy and specifically the energy transition to order a large 'green' cable-laying vessel. This investment was on our wish list for a long time. The vessel will be built by VARD from Norway and will be equipped with the latest green technologies. The vessel will be operational in 2023. This investment dovetails with our strategy to strengthen our leading position in the offshore wind market. It concerns a hybrid vessel that can run on biofuel, and its engines can also be powered by e-fuels. The cable-laying vessel will also have a battery pack. This sustainable design ensures low energy consumption and fewer carbon, NO_x and SO_x emissions.

Due to delays at Keppel and the deferred decision regarding the new cable-layer, our total investment volume in terms of cash flow was significantly lower than last year (2020: EUR 120 million, 2019: EUR 222 million).

Dredging

The difficult market conditions in the Dredging business unit did not improve in 2020. The impact of COVID-19 resulted in a particularly low contract award volume. The tender volume was higher than last year. The capacity utilisation of the hopper and cutter fleet was low (hoppers: 23 weeks in 2020 vs 22 weeks in 2019, cutter suction dredgers: 16 weeks in 2020 vs 21 weeks in 2019) – too low for healthy returns. The operational performance of the business unit was good. There were no major project losses. In 2020, a major reorganisation took place within the Dredging business unit. Substantial savings were made on our overhead costs. An operations department was also set up with global responsibility for the execution of dredging projects.

Offshore Wind

The Offshore Wind business unit concluded a strong year in 2020. Revenue grew (2020: EUR 632 million, 2019: EUR 571 million). The operational results increased sharply. Large projects such as Borssele III & IV and Kriegers Flak were successfully delivered. The capacity utilisation of the Aeolus and the Nexus were high. Tendering volume rose sharply again, and it now accounts for more than 50% of Van Oord's total tender volume. The award volume increased strongly compared to 2019. In particular, this was attributable to the large Saint-Brieuc and Hollandse Kust Noord projects. In the autumn, we also became preferred supplier in two other large wind projects: Baltic Hub and Sofia. Neither project has been included in our contract award volume yet. As a result of the energy transition, the offshore wind market will grow rapidly in the coming decade and will start to take off in other parts of the world than Europe as well.

Offshore

The oil and gas market was hit hard by the COVID-19 crisis and the accompanying fall in oil prices. Indeed, it stifled the cautious recovery of this sector following the previous crises in 2014. Revenue remained at about the same level (2020: EUR 211 million, 2019: EUR 210 million). Even though the results were satisfactory, they were under pressure. In the second half of the year, our tender volume recovered. However, the award volume was disappointing. Our clients are taking a wait-and-see approach when it comes to awarding projects due to the negative market sentiment. The capacity utilisation of the SRI vessels was good (2020: 36 weeks, 2019: 39 weeks). In 2020, the business unit began preparations for the Golfinho project in Mozambique for operator Total. This challenging project will be executed in 2021.

Netherlands

Due to difficult circumstances (COVID-19, the nitrogen issue), the tender volume in the Netherlands business unit was disappointing again. The award volume was still acceptable, mainly due to large variation orders. In 2020, we focused on carrying out the Afsluitdijk project. This contributed to a sharp rise in revenue (2020: EUR 236 million, 2019: EUR 173 million). On the Afsluitdijk project, we made good progress on protecting the dyke from the Waddenzee side with the innovative Levvel-blocs. We were also faced with a major modification request by the client, Rijkswaterstaat. This change is related to the hydraulic conditions on the IJsselmeer side. As a result, the new and existing discharge sluices had to be redesigned. The responsibility for this modification lies with Rijkswaterstaat.

We are engaged in a constructive dialogue with Rijkswaterstaat about how this modification will impact the schedule, as well as cost levels. We also worked on the A16 Rotterdam motorway project in 2020. Among other things, Van Oord, within the consortium, is responsible for delivering approximately 4 million cubic metres of sand. In total, 3 million cubic metres of sand has been delivered to date.

COVID-19 and safety

The issue of safety in 2020 was largely dominated by adjustments and new policies as a result of COVID-19. We were able to continue our work on all projects. This required a range of different measures. We created bubbles on our vessels for crew members. As a result, they were relieved as an entire group. Crew members had to be quarantined or tested as a group in advance. More than 5,000 tests were taken in 2020. Many changes were introduced in our offices as well. People worked from home for most of the year. Employees only met at the office for urgent matters.

Our Emergency Response Team consulted frequently on matters related to COVID-19. There was also regular communication with employees. In 2020, we held two surveys among employees about their experiences during the pandemic. Many employees indicated that they liked working from home and that it was highly efficient at times.

During the course of the year, they felt an increasing desire to work at the office again. The intensity of the prolonged digital communication, has downsides as well. Especially for those who take care of children or live alone.

Working from home can also lead to social isolation and a lack of a sense of community. After the pandemic, we will develop a new homeworking policy for office workers.

Our safety statistics showed an improvement again this year. We believe that COVID-19 increased our focus on the issue and contributed to our good safety performance in 2020. Our TRIR in 2020 was 0.48 vs 0.65 in 2019.

Outlook 2021

The world has started the new year with mixed feelings. On the one hand, the vaccination programme has started. On the other hand, our lives are still dominated by COVID-19. Nevertheless, we believe an economic turnaround is on the horizon in 2021. The economic recovery will also have a positive effect on our markets. In particular, we expect a recovery in the dredging and offshore oil and gas markets.

The impact of the recovery will most likely not be felt until 2022. The coronavirus crisis is requiring us to show resilience. This must take us beyond merely returning to the old situation. We developed a new corporate strategy in early 2021. This strategy outlines our ambition to achieve sustainable profitable growth in the coming decade. The starting points for our business are solid: motivated, competitive and qualified employees, a strong balance sheet position, the ambition to excel in our markets, and innovative assets. The starting points for our markets are good: the energy transition, population growth, climate adaptation and the need for infrastructure will generate many new opportunities. We have an ambitious investment programme for this decade.

We would like to express our gratitude to all our employees in what has been an especially difficult year. They have shown resilience, and thanks to them we have come through this uncertain time stronger.

16 March 2021

Pieter van Oord



➤ Thanks to the resilience of our people we have come through this uncertain time stronger

Successfully navigating the pandemic

The Supervisory Board provides independent oversight of the Executive Committee's performance and the company's general course of affairs, taking into account the interests of all stakeholders.



The Supervisory Board independently monitors the performance of the Executive Committee and the general state of affairs of the organisation, taking into account the interests of all stakeholders. The Supervisory Board is closely involved in the organisation's key developments and major decisions. These include strategy development, performance, investments, reorganisation, tender processes, the global deployment of people and vessels, and other decisions and interventions we had to make to weather the COVID-19 pandemic.

The mentality at Van Oord is one of delivering on promises, under all circumstances. We paid a lot of attention to the safety and well-being of our employees and we are proud that operations did not grind to a halt, despite the challenges posed by COVID-19. We rolled up our sleeves and kept on working. Thanks to the commitment of our employees we managed to pull that off in such an extraordinary year.

Internal organisation

Our four business units are increasingly taking shape, each with its own team and responsibilities. The transition to this structure is proceeding efficiently and smoothly, and it has increased our focus on markets and clients. Each unit works within the overall strategy and has set their priorities to secure orders and ensure the optimum deployment of people and vessels.

Changes in the market forced us to downsize considerably and reduce the workforce from 5,200 to 4,400 employees. We achieved this through various measures, with a limited number of compulsory redundancies. Needless to say, this was an unpleasant process for those concerned. We therefore worked with the greatest possible care and with consideration for each individual to find suitable solutions. We had good and regular discussions with the Works Council and the unions throughout the process. Looking back, we are satisfied that this process was so carefully managed.

Supervisory Board performance

The Supervisory Board had six regular meetings with the Executive Committee. In 2020, one extra meeting was held in April to discuss the effects of COVID-19 to the company. One of the regular meetings was held at the Afsluitdijk project site. During the Afsluitdijk project visit, the members of the Supervisory Board had the opportunity to take a look at the Level-blocs production facility in Harlingen. Chairperson Mr Hoek also met with the CEO on a regular basis to discuss ongoing matters, and he was the point of contact for the Works Council.

Composition of Supervisory Board

In 2020, the composition of the Supervisory Board changed. Mr Jac.G. van Oord left the Supervisory Board after three terms and was succeeded by Mr Verheul. Mr Damen also retired. He was succeeded by Mr Valkier. Ms Insinger joined the board as of 1 January 2021.

Independence and conflicts of interest

In 2020, Messrs Verheul, Van der Ven and Kretzers represented MerweOord B.V., Mr Laurent Josi represented Ullan S.A.. Messrs Hoek and Valkier were appointed in accordance with the Works Council's enhanced right of recommendation. The Supervisory Board is committed to maintaining its independence and avoiding any possible conflicts of interest. If any potential conflict of interest does arise, the Supervisory Board member concerned absents him or herself from the meetings and decision-making.

Audit Committee

The Audit Committee has three members: Messrs Van der Ven, Laurent Josi and Hoek. They review the company's finance, compliance and risk management. The Audit Committee meets four times a year in the presence of the CEO and CFO. Recurring topics are the quarterly and annual figures, the audit plan, the auditor's report, compliance and risk management and IT. When relevant, other financial and risk officers are invited to attend the meetings. The external auditor attended three meetings in 2020.

Compliance

Compliance continues to be high on Van Oord's agenda. It is a regular topic on the agenda of every meeting. A robust compliance programme is essential to our license to operate. It provides protection for our clients and other stakeholders, as well as for Van Oord and its employees.

The Marginal da Corimba project in Angola was discussed extensively in 2020. The Supervisory Board independently reviewed and assessed the process, the agreements and actions Van Oord was involved in. The Supervisory Board supported the Executive Committee to define lessons learned, to review policies and to enhance the due diligence protocols.

The Supervisory Board keeps a close eye on the progress of the Compliance Enhancement Programme (CEP). It is crucial that we continue to respond to changing legislation and social and environmental standards. The Supervisory Board

emphasises the need to continue open discussions on dilemmas and to stress the importance of compliance throughout the company.

Human Resources Committee

The Human Resources Committee oversees salary structures, remuneration and succession in the Executive Committee and Supervisory Board. The committee also discusses relevant topics such as talent and leadership development, performance management and training. The HR Committee meets four times a year in the presence of the CEO, CFO and Director Personnel & Organisation. In 2020, the HR Committee consisted of three Supervisory Board members: Messrs Hoek, Van der Ven and Valkier.

Remuneration

The Supervisory Board determines the remuneration and terms of employment of the statutory directors of Van Oord N.V. The statutory directors determine the remuneration and other terms and conditions of employment of the other Executive Committee members after consultation with the Supervisory Board.

Review of major projects

The Supervisory Board is involved in reviewing tenders in excess of EUR 50 million through a Tender Committee. The composition of this committee has changed in 2020. As of this year, the committee consists of Messrs Verheul, Kretzers and Hoek. Van Oord is involved in many different projects in highly diverse market situations. Offshore Wind secured several large projects, including the Saint-Brieuc

offshore wind farm. The Netherlands business unit is working on some large projects, such as the A16 motorway and the Afsluitdijk. The Supervisory Board paid a visit to the Afsluitdijk in 2020.

Approval of annual financial statements

The annual financial statements have been audited by Ernst & Young Accountants LLP, and the independent auditor's report can be found in the 'Other information' section in this annual report. The Supervisory Board discussed the auditor's findings, co-signed the annual financial statements, and approved the Executive Committee's report on 2020. We propose that the General Meeting of shareholders adopt the 2020 annual financial statements and a dividend pay out of EUR 16 million. Ernst & Young Accountants LLP have also provided limited assurance on a number of quantitative measures in relation to sustainability. The independent assurance report is attached to this annual report.

A word of thanks

In 2020, we devoted a great deal of attention to the strategy of the four business units and the interaction between these units. Although they operate independently, cohesion and an integrated vision are essential. As the Supervisory Board, we are pleased with the new focus and see it as a stable basis for Van Oord. Despite great economic uncertainty and the dynamics of the various markets, we look to the future with confidence. To continue to make an optimal contribution, we assessed our own performance in 2020 under the supervision of an external adviser.

Given the exceptional market conditions this past year, the results can be described as solid. We are pleased and proud that Van Oord has managed to get through the COVID-19 pandemic on its own, without government support. Our cash position is good, we have no net debt at year end. We closed this difficult year with profit and a positive outlook on the future.

We are convinced that the positive results are attributable to the Van Oord mentality. We are always aware of the impact we have on our surroundings and therefore set high standards for our work and our people. We would like to thank all our employees, worldwide, for their efforts.

Rotterdam, 16 March 2021

On behalf of the Supervisory Board,

Niek Hoek, Chair



World of Van Oord

1

Dredging > 16

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Netherlands > 28



| Dredging



Vox Amalia in Poland

In 2020, the Dredging business unit focused on weathering the COVID-19 storm in a difficult market while reinventing the business unit. Despite challenging market conditions, Van Oord won tenders for projects in Russia, Romania, India, Indonesia, Brazil, Germany, Portugal and the UK. Projects around the world were started and successfully completed, facing challenges caused by the pandemic. >

Dredging is the traditional cornerstone of Van Oord's business, but ongoing market trends and the outbreak of the global pandemic gave cause for concern. Award volumes were below expectations but results were better than anticipated in early 2020 when COVID-19 first broke out. We were able to execute a high percentage of our work, albeit with some delays. We also submitted more than 150 tenders. But clients have adopted a wait-and-see attitude when it comes to awarding tenders, particularly with larger projects. As a result, our award volume declined in 2020, and that has left us with a lower than anticipated order book for 2021. The capacity utilisation rate of the Trailing suction hopper dredgers and cutter suction dredgers was low.

The Dredging Management Team began implementing a new plan for the business unit after critically looking at its business model, the markets and the products that Van Oord can offer. It is spreading tasks and responsibilities to sharpen the focus on client value, increase specialisation (for example, in the area of climate adaptation), introduce more efficiency in the use of resources, promote more effective learning and cut down on project losses. Previously, line management was responsible for contracting and executing the work. Now, the commercial team focuses on contracting work and adding value to our clients. The operational team will concentrate mainly on efficiently and successfully executing the contracted work. The new approach – part of the 'Reinventing Dredging 2030' strategy – emphasises working together in multidisciplinary teams and making good use of each other's resources.

Awarded contracts

Van Oord won a contract to dredge the entrance channel and basin of the Port of Uteny located in the Gulf of Ob in the Arctic. Only two months after the Letter of Intent was received in June 2020, Van Oord had its first vessels at work in the port. A sizeable fleet had to be deployed at short notice. It has been an exemplary performance by our Dredging team. Overall, Van Oord will dredge more than 20 million cubic metres of material. Work will resume in 2021.

In 2020, Van Oord began designing coastal reinforcements to protect the Romanian resort of Eforie on the Black Sea from erosion. Van Oord will start removing the pier and some of the current breakwaters in 2021 and subsequently build new groynes and beaches. Another integral part of this design is the planting of artificial reefs and biostructures to enhance marine life in the area. Following completion, Van Oord will use a trailing suction hopper dredger to restore the beaches.

Van Oord was contracted to dredge the water intake basin of the Taiwanese Da Tan power plant in late 2020. Cutter suction dredger HAM 218 and trailing suction hopper dredger HAM 318

will join forces on this project, which will kick off in 2021. The Da Tan power plant is currently being expanded and Van Oord will deepen the existing water intake basin to increase its capacity to take in cooling water.

The Aberdeen Harbour Board awarded two contracts for rock removal and revetment work for the Aberdeen South Harbour expansion project to Van Oord. In September 2020, Van Oord's backhoe Razende Bol joined the Goliath at the project site. The Harbour expansion project is the largest marine infrastructure project underway in the United Kingdom. The expansion will accommodate the growing cargo and cruise ship market.

Projects in progress and completed

The Fehmarn Belt Fixed Link between Denmark and Germany will be the world's longest immersed road and rail tunnel. The consortium, in which Van Oord participates, is responsible for dredging a tunnel trench in the seabed over a distance of 16 kilometres and reusing the dredged material to create a recreational nature reserve. We are also building a new work harbour for the tunnel contractors. Van Oord was already given an advance contract to carry out preparation work. In 2020, it began with the actual execution of the project. Van Oord's work on the Fehmarn Belt project is expected to continue unabated in the coming years.

In Poland, work started on the project to deepen the 62-kilometre-long channel from Świnoujście to Szczecin. In 2020, Van Oord and its joint venture partner finished removing the unexploded ordnance and started to dredge the channel. The dredged materials will be used to build two circular islands in the Szczecin lagoon that will serve as natural habitats. The work also includes reinforcing the slopes and quay walls along the channel and relocating cables. Van Oord's newest vessel, the Vox Amalia, has been on the job since October 2020 and will remain there for the better part of 2021.

Van Oord completed work on the contract for land reclamation associated with the PEMEX oil refinery in Dos Bocas Mexico. The project involved reclaiming 12 million cubic metres of sand to create 600 hectares of new land. Alongside the dredging work, the contract included dynamic compaction and dry earth movement works, which were carried out with the support of our subsidiary Wicks. The project has a high added-value factor, as it has built an infrastructure that will create ample opportunities and jobs. In addition, the Dos Bocas refinery will make Mexico more self-sufficient in terms of refined fuel products and enhance the country's independence.

The coastline of the Senegalese town Saly was weakened by erosion, leading to a decline in tourism and the corresponding revenue as beaches disappeared and hotels closed down. In 2019, Van Oord started the coastline improvement project, funded by the World Bank, by building breakwaters. In 2020, Saly's beaches were restored by Van Oord's subsidiary Dravo S.A.. Trailing suction hopper dredger Dravo Costa Dorada deposited some 550,000 cubic metres of sand. The new beaches are expected to boost the number of tourists visiting the area.

Van Oord subsidiary Mackley executed several critical flood defence projects on behalf of the Environmental Agency in the UK. As part of Team Van Oord, Mackley carried out emergency works on the Denge (Lydd Ranges) frontage in Kent which protects low lying land. The project consisted of the placement of rock armour with geo-textile and also included the repair works to two existing groynes, as well as the re-charge of the beach. The emergency works were taking place to strengthen the embankment following a succession of storm events.

Fleet renewal plan

By 2022, we will have a dredging fleet with three new LNG hopper dredgers to boost our market position going forward. Some of our older vessels will be laid up or divested. The fleet renewal plan will result in a smaller dredging fleet, with the same capacity but more efficient and competitive. Trailing suction hopper dredger Vox Amalia completed its trials in 2020 and is now fully operational. The Vox Ariane will be ready in 2021, the Vox Apolonia in 2022. Van Oord has ordered a third similar trailing suction hopper dredger. Equipped with LNG systems, these three new vessels will make the fleet more economical and energy efficient. Two new hybrid water-injection dredgers, the Maas and the Mersey, are set to start operating in 2021.

Climate adaptation plan

The Dredging business unit has been working with Van Oord's sustainability team to develop a climate risk overview model that identifies coastal areas most vulnerable to rising sea levels. Van Oord's Climate Adaptation Action Plan aims to use our capabilities to provide solutions that protect coastal societies and ecosystems most at risk from climate change. Solutions such as breakwaters and beach nourishment are a stimulus for both the environment and local economic activity. The project at Saly is a good example of these innovations at work. After building groynes and detached breakwaters, in 2020 Van Oord also restored Saly's beaches.

Outlook

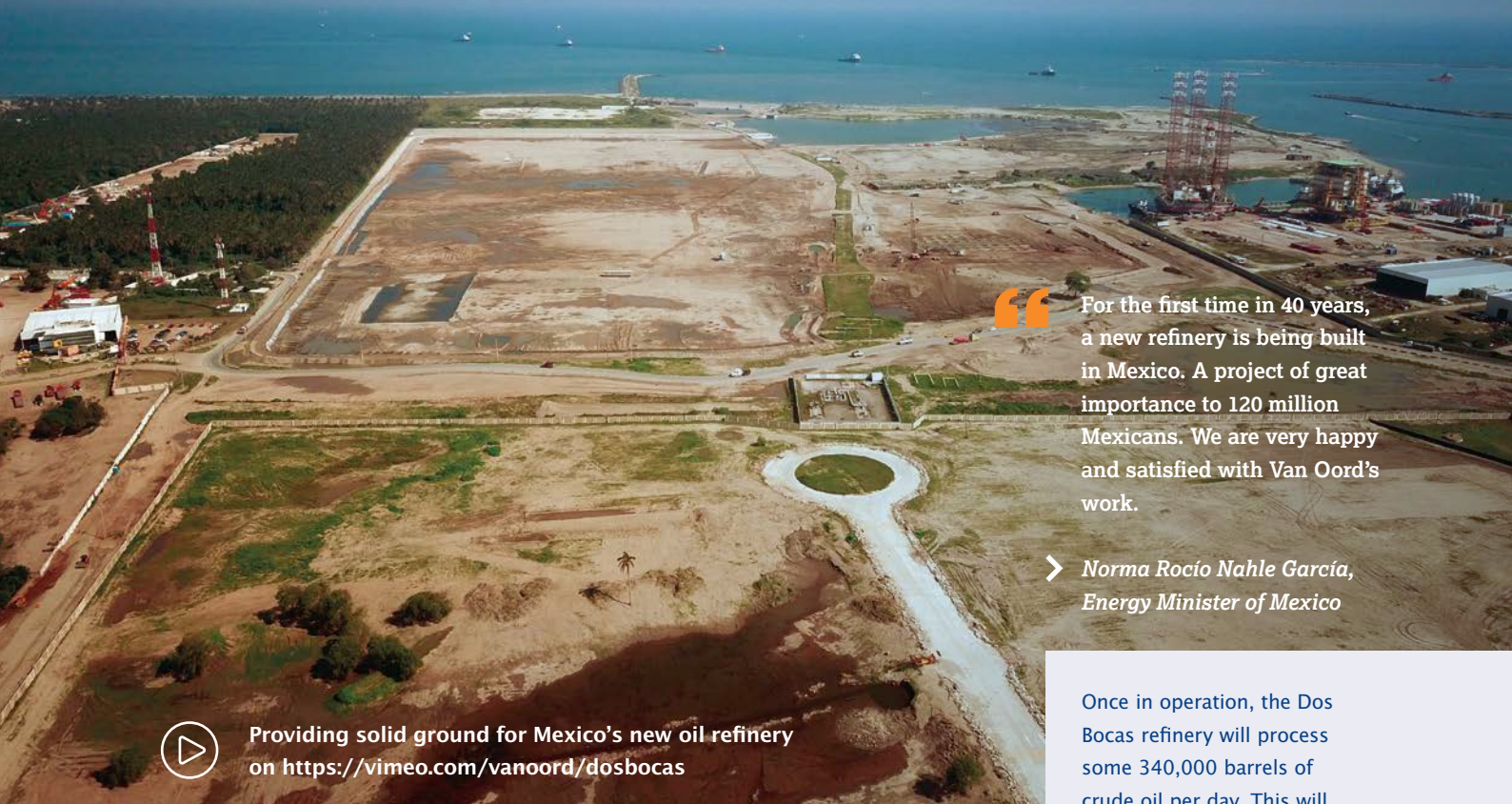
We face several challenges in our Dredging business unit. Van Oord recognises the need for a substantial change in the business that has always been the company's foundation. Cyclical and structural factors are altering the markets in which Van Oord operates. Cyclical changes such as oil price volatility and geopolitical instabilities are leading to reduced investments and structural changes, and increasing competition. Moreover, demand for oil has plummeted since the outbreak of the pandemic. COVID-19 has also negatively impacted investor confidence.

There are also opportunities, however. Many projects in the Dredging business unit involve adapting to rising sea levels. We use our expertise to improve coastal protection and flood protection in low-lying regions. Van Oord sees these solutions as a driver for economic growth and a better world. As a company, we have the responsibility to develop new sustainable offerings and ensure that our work adds value with a net-positive impact on people, planet and profit.

Our strategy programme 'Reinventing Dredging 2030' is already having a significant impact on our business model and on employees everywhere. Focusing commercial and operational tasks and responsibilities was a first step in that direction. Different skills and mindsets will be needed to boost our commercial excellence and to ensure early engagement with clients. It is important that we become involved in interesting projects at the earliest stage possible. That means our employees have to develop a keener business acumen and sharpen their commercial focus to develop an early awareness of these opportunities to remain relevant for our clients.

The investments in a modern and energy-efficient fleet demonstrate Van Oord's confidence in a different future for dredging. A reduction of overhead costs creates new opportunities for investing in the organisation to support strategic goals. We will focus our efforts on 'future-proofing' the business: addressing new challenges, introducing different ways of working and developing new markets for the long-term.

Dos Bocas



“

For the first time in 40 years, a new refinery is being built in Mexico. A project of great importance to 120 million Mexicans. We are very happy and satisfied with Van Oord's work.

➤ *Norma Rocío Nahle García,
Energy Minister of Mexico*



Providing solid ground for Mexico's new oil refinery
on <https://vimeo.com/vanoord/dosbocas>



12

million cubic metres
of sand dredged



600

hectares of land,
ready for use



300

hectares of dynamic
compaction

Once in operation, the Dos Bocas refinery will process some 340,000 barrels of crude oil per day. This will make Mexico self-sufficient in refined petroleum products and will enhance the country's independence. Van Oord was the main contractor for the construction of the site on which the refinery is being built.

Dredging **key figures**



Revenue*

598

2019: 690

Countries

29



Projects

86



Order book*

1,302

2019: 1,460

* million Euros

| Offshore Wind



In April 2020, the Slip Joint foundation was successfully installed at the Borssele Wind Farm Site V.

Offshore wind is a key contributor to achieving climate change targets around the world. Having entered the offshore wind sector in 2002, Van Oord is a leading player in this market. In 2020, we worked on and completed offshore wind farm projects that deliver renewable energy to over 2.5 million households. ➤

Successfully navigating the pandemic

It was a busy year for the Offshore Wind business unit. We successfully navigated the first two waves of the COVID-19 pandemic without any notable logistical problems. We took a lot of measures to ensure that crew changes on vessels went smoothly and to avoid supply chain problems. The forecast in the offshore wind market is promising: our installation vessel Aeolus and cable-laying vessel Nexus are almost fully occupied until 2024.

Innovating for efficiency, the environment, safety and cost reduction

We were proud that our Slip Joint monopile connection technology received DNV GL certification in 2019. This new connection allows the monopile and transition piece to be split into two sections, enabling transport and installation of bigger foundations on existing vessels while reducing installation times and maintenance costs. In April 2020, the Slip Joint foundation was successfully installed at the Borssele Wind Farm Site V. It marked the first time that a submerged Slip Joint was used on a full-sized offshore wind turbine on a fully commercial basis.

After being successfully tested in 2019, a new underwater noise mitigation system (NMS) was deployed in 2020 during the installation of the Borssele III & IV offshore wind farm. It was used in combination with a Double Big Bubble Curtain, which was necessary to meet standards for noise emissions at sea. NMS means less disturbance for marine mammals near construction sites as it reduces underwater noise from offshore pile-driving.

Together with heavy lifting and transport specialist Mammoet and Verton, an Australian scale-up tech company, Van Oord is developing a new lifting method to install wind turbine blades. The aim is to shorten installation cycle times and make installation safer for operators. Verton was selected through the maritime and port accelerator platform PortXL, of which Van Oord is a founding partner and mentor.

New contracts and projects

In 2020, Van Oord was contracted for the Balance of Plant scope for the Hollandse Kust Noord (HKN) wind farm. The project is being run by CrossWind, a joint venture between Shell and Eneco. HKN will have an installed capacity of 759 MW, generating at least 3.3 TWh per year. This is enough renewable power to supply more than one million Dutch households with green electricity. The wind farm is scheduled to be operational by 2023.

In the Zuiderzeewind consortium with Siemens Gamesa, Van Oord was contracted to design, produce and install the foundations and cables and deliver the installation materials for 89 wind turbines, each with 4.3 MW capacity, at Windpark Fryslân. Van Oord has almost finalised the installation of the foundations and cables. Work was halted during the winter months of 2020. Work will resume in 2021 on the installation materials for the wind turbines.

Ailes Marines (a subsidiary of the global energy leader Iberdrola), in charge of the development of the offshore wind farm in the bay of Saint-Brieuc in France, selected Van Oord to transport and install the 62 jacket foundations and the foundation piles for the offshore substation. Construction of the subsea drilling template began in 2020. Van Oord will start the offshore operations in 2021 with the installation of the pin piles using its offshore installation vessel Aeolus.

Van Oord became a shareholder in Saare Wind Energy that same year. The collaboration with Van Oord allows Saare Wind Energy to intensify the development process for this offshore wind farm in Estonia, as financial support and knowledge are combined. Saare Wind Energy has extensive knowledge of local conditions and the environmental impact assessment. The location permit procedure is proceeding.

In January 2020, Van Oord and NYK signed a Memorandum of Understanding (MoU) to jointly own and operate offshore wind installation vessels under the Japanese flag. The collaboration is using Van Oord's technical and operational expertise in offshore wind and NYK Group's knowledge of the Japanese market. The vessels will be used for the transport and installation of both the foundations and wind turbines for offshore wind farms.

In December 2020, Van Oord was selected as preferred contractor by RWE for the engineering, procurement, construction and installation (EPCI) of the monopile foundations and array cables for Sofia offshore wind farm, one of the world's largest offshore wind projects. The 1.4 GW Sofia is sited on Dogger Bank in the central North Sea, 195 kilometres off England's north-eastern coast. The Sofia project is the first project with a turbine capacity of 14 MW each. Van Oord will deploy its offshore installation vessel Aeolus to install the 100 extended monopile foundations without transition pieces. The 350 kilometres of array cables will be installed by cable-laying vessel Nexus. Van Oord will sub-contract the fabrication of the foundations and array cables.

Projects in execution

Offshore Wind started work on Van Oord's first cable project in Taiwan. The contract, awarded by Ørsted, involves a cable installation contract for the 900 MW Greater Changhua 1 & 2a offshore wind farms. Together they will supply sustainable energy to approximately one million households a year from 2022. The contract entails transporting, installing and burying 111 inter array cables and 3 export cables using the cable-laying vessel Nexus and the Dig-It trencher.

In 2020, Van Oord's offshore installation vessel Aeolus installed the last of the 77 monopiles for the Borssele III & IV offshore wind farm for the Blauwwind consortium (Partners Group, Shell, Eneco, DGE and Van Oord). As Balance of Plant contractor, Van Oord is responsible for the design, engineering, procurement, construction and installation of the foundations and inter array cables. Cable-laying vessel Nexus is tasked with installing the cable strings. The wind farm will have a total installed capacity of 731.5 MW, delivering sufficient power for approximately 825,000 Dutch households.

In May 2020, heavy-lift vessel Svanen arrived at the Danish Kriegers Flak Offshore Wind field in the Baltic Sea. The Svanen installed 72 monopiles and transition pieces for the Transport & Installation (T&I) contract for client Vattenfall. Kriegers Flak is Denmark's largest offshore wind farm, with a production capacity of just over 600 MW. It is scheduled to be fully operational by the end of 2021. In April 2020, Van Oord's subsea rock installation vessel Bravenes started the installation of the seabed protection.

In October 2020, oyster reefs were installed in the Borssele Wind Farm Site V, about 20 kilometres off the Dutch coast. The oyster reefs are an experiment combining scour protection and oyster rehabilitation. For hundreds of years, Dutch waters were covered in oysters beds. Oyster reefs enhance the marine environment by filtering toxins from

the seawater and providing food, shelter and spawning areas for fish and other marine species.

The Hollandse Kust Zuid project for client TenneT involves burying export cables for the two offshore wind farms up to five metres below the seabed of the busy shipping route Rotterdam Maasmond and the nearshore section. To meet this requirement, we developed a new Deep Dig-It trencher and started using it in 2020. This remote-controlled trench jetting and cutting system means that Van Oord can offer its clients in offshore wind construction a complete service package, including cable burial. We buried the first two export cables in the summer of 2020 and will bury the other two in the summer of 2021.

Outlook

Our order book is solid, with in addition tenders in the pipeline for projects in Europe, Asia and the US. The potential of the offshore market is strong. It has a more global reach today than ever before. Van Oord's collaborations in Japan, Taiwan and the Baltic regions attest to this. Offshore wind is a high-risk business characterised by technical and environmental challenges, price pressure, new competitors, complex supply chains and an increasingly subsidy-free playing field. To stay ahead, we respond with agility and innovation.

In the coming years, we look forward to creating new opportunities and leading the way in the energy transition by constructing offshore wind projects such as Hollandse Kust Noord offshore wind farm, the Sofia offshore wind farm in the United Kingdom and the cable installation at Greater Changhua offshore wind farm in Taiwan. The order of a new green cable-laying vessel shows our drive to continuously reinforce our market position by investing in state-of-the-art sustainable technology.

➤ To stay ahead in an increasingly subsidy-free playing field, we respond with agility and innovation.

Final foundation



With the last foundation successfully installed, one of the most important milestones in the success of the Danish Kriegers Flak offshore wind farm has been achieved. The Svanen and the associated fleet have delivered excellent results. We are very pleased with the cooperation and continuous good spirit.



*Ian Bremner, Project Director
Vattenfall*



Svanen at work for Danish Kriegers Flak offshore wind farm on <https://vimeo.com/vanoord/kriegersflak>



72

monopiles



600 MW

production capacity



15-40 km

off the Danish coast

In early September 2020, heavy lift vessel Svanen successfully installed the final foundation for the Danish Kriegers Flak offshore wind farm in the Baltic Sea. During execution all safety and COVID-19 restrictions were in place, creating a safe work environment for those involved. With a production capacity of just over 600 MW, Kriegers Flak will be Denmark's largest offshore wind farm and is scheduled to be fully operational in 2021.

Offshore Wind **key figures**



Revenue*

632

2019: 571

Countries

7



Projects

21



Order book*

908

2019: 735

* million Euros

| Offshore



Stornes and its crew set a record of 1.5 million tonnes of rock installed in only 10 months' time.

Van Oord has developed into a niche specialist in two offshore services since the 1960s. Offshore Pipeline Installation (OPI) provides integrated solutions for shore crossings and near shore installation of offshore energy infrastructure. Subsea Rock Installation (SRI) is a seabed intervention technique using a fleet of three flexible fallpipe vessels and a side stone dumping vessel to place rock on the seabed or excavate at large depths to install, stabilise and protect cables, pipelines, wind farm monopiles and other offshore installations. ➤

Driven by population growth and increasing industrial and economic activity, global energy demand continues to rise. While the future energy mix moves towards sustainable fuels, the world will still rely on fossil fuels. During the next decade, gas is widely expected to serve as the most important global source of relatively low carbon energy. Particularly in developing countries, where the energy transition is yet to fully take hold, gas is an important ingredient for socioeconomic growth.

Our overall portfolio is steadily shifting towards offshore renewables, cables and new marine energies. And while we work to drive the energy transition in various places around the world, Van Oord will continue to work with our clients and trusted partners to install, stabilise and protect a broad range of offshore energy infrastructure.

2020 was a mixed year for the Offshore business unit. SRI had a good year, which accounted for solid financial results. Van Oord's flexible fallpipe vessels had a busy year. Stornes set a record of 1.5 million tonnes of rock installed in only ten months' time. Bravenes even broke its personal record, placing 1.5 million tonnes of rock in a single project.

The OPI market was affected by the sudden and pandemic-driven collapse in energy demand. As a consequence, we experienced a decrease in OPI projects, and contract awards were delayed. The OPI market is only expected to recover post-2021, so we are looking at challenging market conditions. We devoted a great deal of time in 2020 to prepare for the scheduled execution of the Mozambique LNG project (operated by Total) in February 2021.

Mozambique LNG project

Natural gas is an important energy source in the transition to less carbon-intensive sources of energy and in making energy accessible to developing countries. With natural gas reserves of 2.8 trillion cubic metres, Mozambique plays an important role in the emerging African LNG sector. Scheduled to start construction in 2021, the LNG facility is expected to be operational in 2024.

Prior to the contract award mid-2019, Van Oord already put a project team in place to work on preparations for the Mozambique LNG project. A consortium consisting of Van Oord and TechnipFMC will construct the subsea infrastructure to transport natural gas from gas fields located 40 kilometres off the coast to two new plants on land in the Afungi Bay in North Mozambique. There it will be converted into LNG. The consortium is responsible for the full Engineering, Procurement, Construction and Installation (EPCI) scope from shore to subsea for this development. Van Oord

> Our overall portfolio steadily shifts towards offshore renewables, cables and new marine energies

will execute the shallow water offshore installation scope up to a depth of 30 metres. Pipe-laying vessel Stingray will install five pipelines and two umbilicals in a pre-dredged installation trench. The 17-kilometre-long trench will then be backfilled.

Environmental requirements at the construction site are strict and the project team is devoting considerable attention to achieving a net positive impact and promoting environmental and social benefits. These include coral reef rehabilitation, installation of coral nurseries, artificial reef construction, local recruitment and provision of education and training for local people. Van Oord is determined to use the leverage it has through being involved in the project to make a positive impact on community issues, biodiversity, and environmental and social topics.

Equinor framework agreement

Despite the pandemic, Equinor has continued to invest in their projects in the North Sea. Van Oord has a long-standing collaboration with the Norwegian state oil company. The framework agreement is important as it delivers a steady stream of projects throughout the year. In 2020 alone, Van Oord worked on 12 different projects, including Askeladd, SEP, Troll and Johan. The framework agreement facilitates a rapid procurement process when Equinor needs work to be performed.

Monopile scour and cable protection

Subsea rock installation is also a method used for installing scour and cable protection for the offshore wind industry. With its unique tremie pipe, flexible fall pipe vessel Bravenes is able to install rock with great precision and at close proximity to offshore wind farms. Even in severe weather conditions. In 2020, we worked on the Triton Knoll (UK) and

the Borssele III & IV (NL) offshore wind farms to install cable protection. And we worked on the Borssele I & II (NL) and Saint Nazaire (FR) offshore wind farms to provide cable protection.

Strategy

Van Oord is market leader in SRI. With a versatile portfolio of vessels and a high degree of automation, we achieve highly predictable and accurate placement of rock up to large diameters. Our strategy is centred around extending the lead on operational excellence and client engagement. For example, by increasing the reliability and accuracy of our rock placement, we build designs using less rock while accurate predictions reduce the need for intermediate installation surveys. Van Oord has several in-house engineers developing automated prediction models and incorporating them into our vessels' software. This innovation leads to cost price leadership.

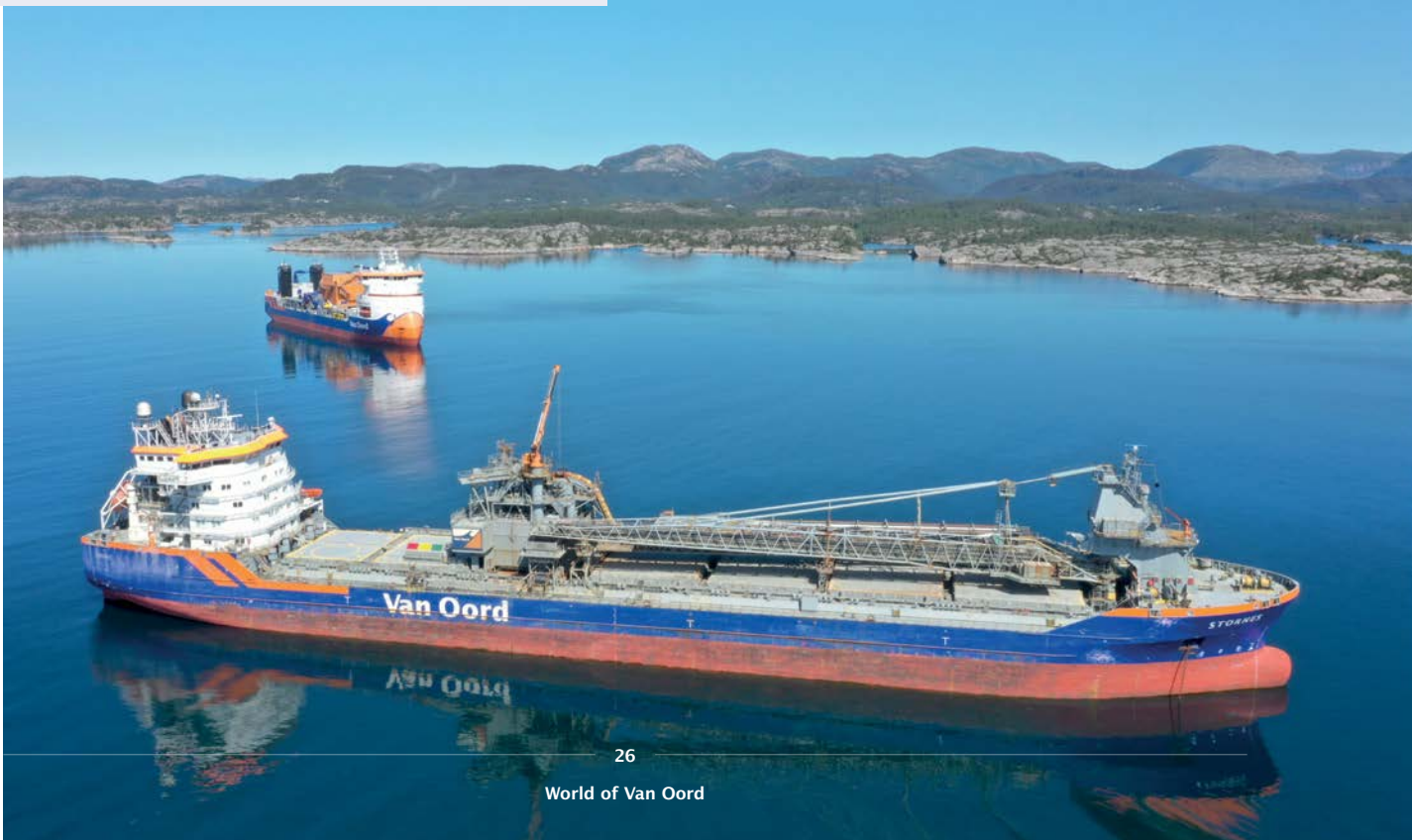
For the OPI market, our strategy is to offer integrated solutions with a focus on reduction of the overall project cost. We do this by seeking high degrees of integration into our clients operations. Ultimately, it will result in deeper relationships and better value for both our clients and us.

Outlook

The impact of the pandemic will be felt for some time yet. The decline in demand for energy has caused the major energy companies to cut capital expenditure and downsize their investment plans. The energy companies in the Middle East are likely to continue investing next year, however, so this region will certainly be a key focus of our portfolio. Nevertheless, the global situation is unlikely to recover soon. Experts expect the market to start picking up only in 2022 and perhaps start recovering in 2023.

The pandemic seems to have accelerated the energy transition; it has forced us to accelerate our thinking about where we need to go. Offshore will be looking to reposition itself towards alternative markets. This ties in with Van Oord's strategy to explore new directions for the longer term. As the balance shifts away from fossil fuels, we will apply our business unit's capabilities – marine construction in an offshore environment – to new areas. As the energy system tilts towards electrification, as the hydrogen economy gains momentum, as carbon capture and storage projects come on to the market, we see new business opportunities.

- > We see new business opportunities in carbon capture and storage projects



Stingray's comeback

You could say it's a floating welding plant. Pipelines are delivered on board in sections. The crew welds the sections together and the Stingray installs them on the seabed. It can't operate without a good crew.

➤ *Abdi Ibrahim Hassan, Stingray Deputy Vessel Manager*



Shallow water pipe lay barge Stingray
How does it work? Watch <https://vimeo.com/vanoord/stingray>



2011

year of construction



6 - 60

inch pipe lay capacities



Located at
Daimah Yard

After executing a series of projects in South Korea, Taiwan, Brazil and Gabon, pipe lay barge Stingray spent some time in the dock. But now that another pipelay job has come up, Van Oord's Daimah yard has been working flat out to ready the vessel for deployment on the Mozambique LNG project in 2021.

Offshore **key figures**



Revenue*

211

2019: 210

Countries

13



Projects

51



Order book*

396

2019: 435

* million Euros

| Netherlands



The Netherlands business unit's revenue increased in 2020 compared to 2019, despite the COVID-19 crisis and the market uncertainty relating to the nitrogen issue. Because we were able to act quickly and develop creative solutions, many projects went ahead. Our most important client – Rijkswaterstaat, the operational agency of the Dutch Ministry of Infrastructure and Water Management – also did everything in its power to avoid delays. The growth in revenue can also be attributed to three large DBFM contracts (design, build, finance, maintain) in our order book. >

Paans Van Oord working at the damaged weir in Linne.

You have to be at your best to thrive in major, multidisciplinary projects. They are inherently complex, involving everything from civil engineering and hydraulic engineering to mechanical engineering. And they are subject to a tight financing regime. The 'maintain' element ensures long-term involvement in these projects. This is crucial for continuity. In the future, we have the ambition to focus more on maintenance contracts.

The tender volume declined in 2020. The lack of tenders was partly caused by COVID-19: clients became more cautious. One big cause was the nitrogen issue. Large infrastructure projects came under pressure because permits were not granted or postponed. In the long term, this is a threat to our business. Fortunately, we had a high award volume last year as we took on a lot of work from those tenders.

In the short term, we expect to grow even further, but for the long term we must continue to fill our order book, despite the nitrogen issue. We need to diversify our client base. The infrastructure market – apart from the dip caused by COVID-19 – is robust. For the time being, we are expecting this market to continue at a similar pace. This would give us an enduring, solid market. The market for water projects is being boosted by climate change, an increase in river runoff and rising sea levels. There is also increasing demand for sustainable solutions. Coastlines and dykes must be reinforced in a sustainable manner. Innovation is becoming increasingly important and that will create opportunities for us as well.

Awarded contracts

Van Oord has been contracted to strengthen the Lekdijk for the district water authority De Stichtse Rijnlanden. The dyke no longer complies with current standards and needs reinforcing over a length of 55 kilometres, from Amerongen to Schoonhoven. One of the water authority's key requirements is to ensure that the dyke fits well into the landscape and the surroundings. The second aim is for the work on the dyke reinforcement to be emission-free. To this end, Van Oord and its consortium partners signed a special contract: an innovation partnership.

Van Oord is working with KWS to reinforce the dyke at Hansweert in Zeeland for the Scheldestromen Water Authorities. The dyke has to be reinforced over a length of more than five kilometres to meet the current safety standard. The project will kick off with a construction team phase. We will work out the details, design and costs with the client. Implementation will begin in 2022.

Commissioned by Rijkswaterstaat, we are making the Twente canals more easily accessible to larger vessels. Together with our consortium partners Hakkers and Beens, we are replacing the sheet pile walls over a length of 35 kilometres, enlarging the canal and installing a self-sealing layer for groundwater control. Price and quality were Rijkswaterstaat's key criteria in this tender. This helps to make better use of the innovative power and creativity of the market. Execution is expected to start in the first half of 2021.

Van Oord is preparing to clean up the contaminated silt in the Averijhaven near IJmuiden. After removing the silt, the Averijhaven will be developed into an Energy Port. This new port will be an important base for the construction and maintenance of offshore wind farms that will be built in the coming years. We are using our trailing suction hopper dredger HAM 318 to transport the silt. Having this vessel in our fleet enables us to tackle this project efficiently. We are transporting the contaminated silt to the Slufter, a large depot for contaminated silt in Rotterdam.

Projects in execution

Afsluitdijk

The Afsluitdijk is a marvel of modern engineering. It has protected large parts of the Netherlands against flooding from the sea and the IJsselmeer since 1932. Eighty-five years later, time had taken its toll and the dam was in need of repair. Thanks to the efforts of Van Oord and its consortium partners, the dam will enter the 21st century as a new icon of Dutch marine engineering and will continue to protect the country.

Rijkswaterstaat has contracted the Level consortium, of which Van Oord is part, to upgrade the Afsluitdijk. We are well underway with our work on the road and the dyke. Last year, work was influenced by a change of design requirements by our client. As a result, we had to modify the design of the new and existing discharge sluices in the Afsluitdijk. This has delayed the anticipated completion of the overall project. A number of sub-projects are expected to be completed on time, however. The delay is time-consuming and costly. We are currently discussing the impact of the delay with Rijkswaterstaat.

The Afsluitdijk project also includes a sub-project for the province of Friesland to allow fish to migrate between the IJsselmeer and the Waddenzee. In September 2020, Van Oord successfully completed the installation of five Atlantis tubes in the IJsselmeer near Kornwerderzand. The 340-metre-long dam is part of the construction work for the Fish Migration River project. Atlantis tubes are elongated

bags made of specially developed geotextile fabric which are filled with sand by dredging equipment. This is the first time the Atlantis tubes have been used to create a dam.

Atlantis tubes offer the possibility to construct both temporary and permanent dams in a sustainable manner. This method reduces the use of primary building materials such as stones and sand and therefore also reduces the emission of fossil fuels by transport. Finally, there is a significant cost reduction due to the absence of purchasing, transport and application of stone materials.

A16 Rotterdam motorway project

Execution of the new A16 Rotterdam motorway project for Rijkswaterstaat began in 2019. Together with our partners in the Groene Boog consortium, Van Oord is responsible for designing, building and pre-financing the project and for management and maintenance for a 20-year period.

The 11-kilometre-long motorway will link the busy A16 and A13 motorways in Rotterdam. Plans include an 11-metre-high flyover and a 2.2-kilometre-long tunnel under the Rotte River. This will be the first completely energy-neutral motorway that includes a tunnel, powered by solar panels. After the summer of 2020, we also deployed the first heavy-duty electric excavator in the Netherlands on this project.

In 2020, the project was thrown into turmoil as a result of the nitrogen issue. It meant we could no longer extract sand at sea as no permits were granted for that. Fortunately, we still had a permit for sand extraction in Markermeer. By rapidly adapting our logistics, we were able to obtain the necessary sand from there.

ViA15

In the ViA15 project, Rijkswaterstaat and the province of Gelderland want to reduce congestion and improve safety and regional quality of life on the roads around Arnhem. The project will extend the A15 motorway for a further 12 kilometres and widen stretches of the A12 and A15. Client Rijkswaterstaat assessed the plans not just on price but also on sustainability, risk management and traffic disruption criteria. Sustainability is one of the focal points of the project and plays a major role in the design and construction of the motorway and in its operation, reflected in the efficient use and reuse of materials and the construction methods themselves. It is still not clear exactly when the work will take place due to the nitrogen issue. The Council of State has not yet ruled on this. In the meantime, we are already preparing for the work. Once we get started, the project will take three to four years to complete, and we will have a maintenance contract for 20 years.

Completed projects 2020

Minister Cora van Nieuwenhuizen (Infrastructure and Water Management) opened the reinforced Houtribdijk on 22 June 2020. Thanks to a new layer of rock and huge layers of sand, the dyke between Lelystad and Enkhuizen can withstand storm events that occur once every ten thousand years. We applied a sandy dyke body there. This is not a traditional dyke with clay or rock. Instead, sandy banks flank a large part of the Houtribdijk. This example of Building with Nature is more environmentally friendly and cheaper than traditional solutions, helps to improve water quality and diversifies the nature in the area.

Van Oord was awarded the contract for deepening the Amazonehaven by the Port of Rotterdam. The container company ECT, which is based there, can now dock with even larger vessels. We deployed our trailing suction hopper dredger Lelystad and water injection vessel Jetsed on this project. The client was adamant that the work be completed on time.

We have the ability to respond rapidly to emergencies. We proved that again in February 2020. During a storm, the weir at Linne was damaged by two barges that had broken loose. Rijkswaterstaat asked us to build a stone dam as quickly as possible to dry out the weir so it could be repaired. The water levels and discharges in the Maas River can be regulated again with the aid of a fully functioning weir at Linne. Entirely according to plan, before the start of the flood season.

Subsidiaries

Fundamental to our success in the Netherlands are our partnerships in large, integrated, multidisciplinary infrastructure projects. Together with our subsidiaries Paans Van Oord and Van Oord Grondstoffen, we can deliver the whole project from sand supply to buildable soil. Paans Van Oord has been working in Zeeland on the Western Scheldt estuary coastal reinforcement contract. The LNG-fuelled crane vessel Werkendam has proved its worth on this project. In 2021, the project will enter its final phase.

Compared to a diesel-powered vessel, the Werkendam emits 80% fewer particulates and 70% less nitrogen. Moreover, it reduces carbon emissions by 25%. Its sustainability performance was rewarded with a gold-level Green Award, a certification for vessels that meet strict safety and environmental requirements.

> Dancing on the dyke

The Ballerina is the impressive crane that has been covering the slope of the Afsluitdijk dam with concrete elements. The design of the crane is a fine example of Marine ingenuity. It was crucial to keep the haul route open while work continued on the slope above it. The Van Oord team designed a crane with 1-metre-wide caterpillar tracks, a unique block clamp and a telescopic undercarriage to cover the 30-metre-wide slope.



<https://vimeo.com/vanoord/ballerina>



Van Oord Grondstoffen is heavily involved in the A16 Rotterdam motorway project. The sand needed for the project is sourced from Lake Markemeer in the context of the Markerwadden project. From there, it is shipped to four unloading sites, where trucks are waiting to transport it to the project site. Van Oord's ground treatment subsidiary Wicks was also involved in this project by installing vertical drains across the entire project route. The drains will speed up soil consolidation and allow construction of the new motorway to start on schedule.

Delivering on sustainability

Van Oord is constantly looking for innovative solutions to deliver on its sustainable strategy. The purchase of the first heavy-duty, fully electric hydraulic excavator in the Netherlands attests to this. It will contribute to the electrification of the construction site and reduce carbon and nitrogen oxide emissions during project execution. Van Oord is therefore contributing to Rijkswaterstaat's Zero Emission Construction Site 2030 programme as well. The 25-tonne excavator is operated by Van Oord Grondstoffen.

Outlook

With a number of large, long-term projects in progress, we expect to increase our revenue even further over the next two years. Our main short-term focus is therefore to set up the organisation for further growth and simultaneously keep a lid on costs. For the longer term, we will most likely face numerous challenges as we aim to fill our order book.

To begin with, the nitrogen issue is constraining productivity. Large infrastructure projects cannot be built at present because permits are not being issued. That means far fewer tenders, which is a threat for the coming years. In addition, we cannot predict how long COVID-19 will negatively affect our activities. Indeed, the pandemic has made clients more cautious in pressing ahead with plans and projects.

➤ Coastlines and dykes must be reinforced in a sustainable manner. That creates opportunities for us.

We therefore want to broaden our client base. The temporary dip caused by COVID-19 aside, the road construction market is robust. We believe we can continue to grow in that market in the coming years. Van Oord can also capitalise on opportunities in the market for water projects. Climate change and rising sea levels are forcing the government to take measures and invest. The Flood Protection Programme (HWBP), an alliance between the various water authorities and Rijkswaterstaat, aims to reinforce coastlines and dykes in a sustainable manner. Innovation is becoming increasingly important in this respect, and that is creating opportunities for us. We are in constant dialogue with Rijkswaterstaat to strengthen and maintain the coastline in a sustainable manner.

A16 Rotterdam project



The first blow is half the battle: chapeau! It's great that work is being done on the A16 in this way. We will give more weight to zero-emission working in our tendering procedures.

➤ *Cora van Nieuwenhuizen,
Dutch Minister of Infrastructure
and Water Management*



Learn more about the sand transport:
<https://vimeo.com/vanoord/a16sandtransport>
See the fully electric excavator in action:
<https://vimeo.com/vanoord/excavator>



3

million cubic metres
of sand supplied



20

vessels a day
unloading the sand



5,700,000

Wicks installed linear metres of
vertical drainage

The energy-neutral A16 Rotterdam will be better integrated into its surroundings than most other motorways in the Netherlands: a semi-immersed tunnel cutting through nature, noise barriers and noise-reducing asphalt. The first fully electric 25-tonne excavator in the Netherlands has been put into use during on this project.

Netherlands **key figures**



Revenue*

236

2019: 173

Countries

1



Projects

28



Order book*

947

2019: 980

* million Euros

Strategy and value creation

2

Markets and relevant trends > 35

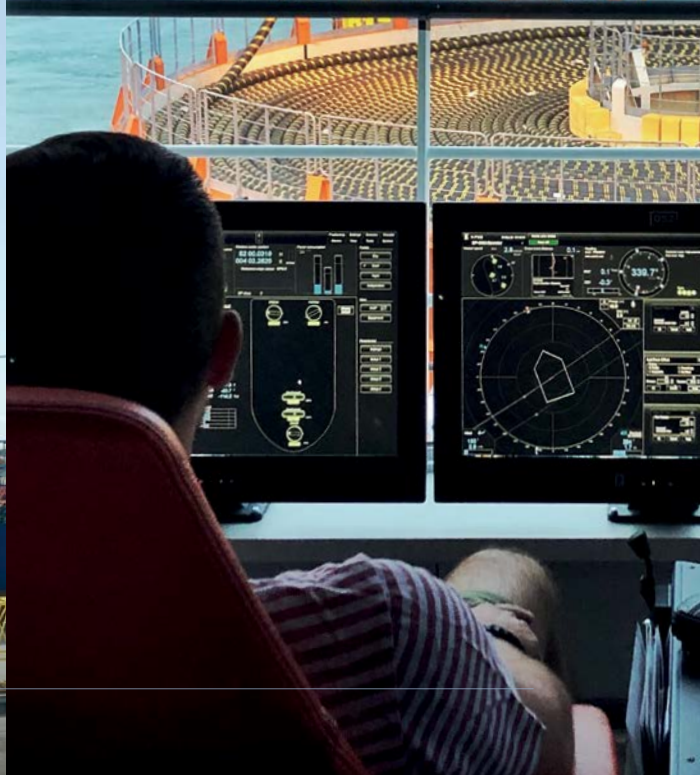
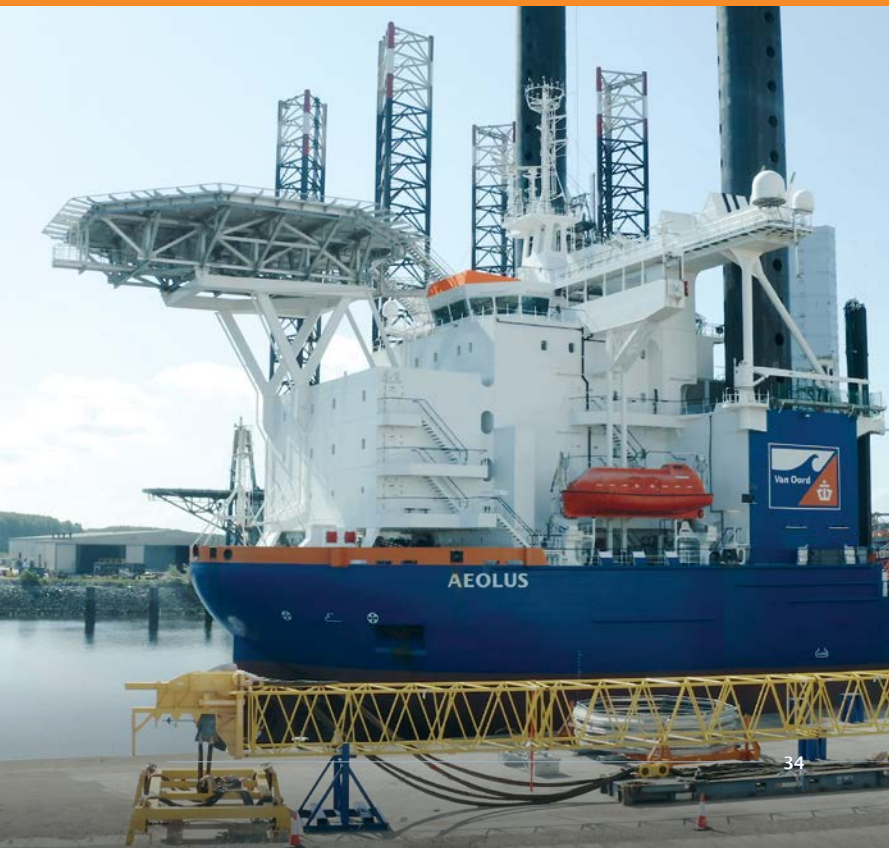
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I Markets and relevant trends

The year 2020 was marked by historical economic contraction. The global health crisis resulting from the COVID-19 pandemic has had a major impact on human lives and has triggered a global economic recession with a decline of 4.2% in GDP. COVID-19 has had substantial impact on our company and our four business units.

The majority of the end-markets we operate in are among those most negatively impacted, namely oil & gas, transport, cruise liners and tourism. The widespread uncertainty led governments to cut back on their spending and tenders have been postponed.

Against the background of COVID-19, our synergistic marine business portfolio has proven its value. Driven by diversification, entrepreneurship and Marine ingenuity we have been able to build a robust portfolio of businesses over the past decade. While still facing challenging times in our dredging activities, we have been able to extend our leading position in offshore wind. Our niche offshore installation activities have enabled us to build a stable presence in the offshore market. The portfolio is completed with our successful position in infrastructure in the Netherlands. Cyclical movements in one market have been compensated with strong growth in others, while long-term growth drivers remain positive. Increased urbanisation and tourism, maritime trade growth, rising energy demand and climate change will fuel all our business activities for the coming decades.

Challenges, cyclicity and structural changes

Our Dredging business unit was hit hard, partly as a result of the crisis in the oil & gas sector and the decrease in global maritime trade of approximately 4% in 2020. In addition, the open dredging market is structurally changing as a result of intensified competition, overcapacity, commoditisation and changing customer requirements. In many countries, more preferential treatment of local players and lack of a level playing field is gaining importance. Local parties are now in a position to match our proposals and our price levels. The historically stable dredging market dropped to EUR 4-5 billion in 2020.

Europe added 2.9 GW of offshore wind capacity in 2020. That represents 356 new offshore wind turbines connected to the grid across nine wind farms. Van Oord has been able to

benefit from ongoing market growth and strengthened our leading market position by connecting over 2.5 million households to renewable energy in 2020. The prospects for energy from offshore wind are good. The European Commission has set a target to have 300 GW of offshore wind in Europe by 2050. That is 25 times the current capacity in the next 30 years. There is a broad consensus that offshore wind will be the most important contributor to sustainability targets in Western Europe. We remain positive about offshore wind energy and see this segment as a key driver for growth.

The already delicate recovery in the oil & gas market was roughly disrupted by COVID-19, which drove down demand fast. The rapid drop in worldwide demand, an oil price war, oversupply and lack of production cap resulted in a severe price drop in the first half year of 2020. Consequently, oil & gas operators announced CAPEX cuts of 35% in the first half year of 2020. After the summer, oil prices began to rebound and optimism regarding COVID-19 vaccines fuelled further price recovery. Our offshore seabed intervention activities have been negatively impacted by these developments. Nevertheless, we have been able to stabilise our offshore activities due to a gradual shift to offshore wind-related subsea rock installation and securing already committed offshore pipeline installation projects. Depending on supply and demand scenarios, the market is expected to need 2-4 years to recover and will restructure. For the medium term, we still see an important role for these offshore activities in the transition to renewable energy, particularly for gas.

In the Netherlands, in addition to COVID-19, we also had to contend with delays related to the nitrogen issue. These also put tender volumes and ongoing projects under pressure. Thankfully we have been able to proceed with the majority of our projects under changed circumstances and conditions. This has also been with support from the Dutch government sticking to investments in infrastructure projects. Further boosting of the infrastructure and maintaining this

infrastructure will require continued investments. We remain positive about the market outlook and conditions for our infrastructure activities in the Netherlands.

Positive long-term drivers, with structural changes

It is more difficult than ever to look ahead and predict market developments. The big question is how and when the global economy will recover from the blows caused by 2020 and the period before that. A more urgent question that will also have a major impact on our business is when we will be able to fully benefit from a vaccine against COVID-19. But one thing is certain: we are sticking to the principles of our strategy in our synergistic marine business portfolio. We see important structural growth drivers for our businesses and we are optimistic about our long-term prospects.

Population growth and the growth of cities remain important drivers of economic growth. COVID-19 caused a slowdown in population growth globally. Population growth in the Netherlands halved in 2020. Lower birth rates, shifting migration patterns and rising mortality rates are expected to further slow population growth in the coming years. Although temporarily on hold, population growth is expected to resume in the next decades. In addition, last year indicated cities are vulnerable to future pandemics. We need to rethink the development of megacities and come up with new models and decentralise business activities. We do not believe this will hinder our land reclamation activities but we also need to rethink and integrate our marine solutions to offer prosperity to future generations living in cities and rural areas.

Market experts are optimistic about the mid-term recovery of the global maritime trade. New waves of the pandemic disrupting supply chains and economies might negatively impact the short-term outlook. The long-term recovery is fraught with uncertainty and the sector needs to prepare for change. We embrace these changes and want to operate on the frontline of sustainable recovery and provide integrated port solutions with our dredging and marine construction business.

The pandemic has caused serious disruption to the global demand for energy. Depending on the scenario, global energy demand will rebound to pre-crisis levels in the next 2-4 years. In all scenarios, renewables will grow fast, in part because COVID-19 has triggered a structural decline in the demand for coal. Our offshore wind activities directly support the energy transition, but these developments drive a larger part of our portfolio.

We expect climate adaptation to develop into one of the main drivers in our business portfolio. Protecting populations and landscapes against the risks of flooding and providing integrated solutions will be one of our key concerns. We proactively share our knowledge and aspire to contribute to a climate-resilient future.

We need to be able to mount a quick and agile response to any market disruption. That means being able to scale down quickly but also step on the gas at a moment's notice when growth opportunities emerge again.



> Vox Ariane launching ceremony

The brand new trailing suction hopper dredger Vox Ariane was successfully launched in January 2021 in Singapore. Ambassador of the Netherlands to Singapore, Ms Margriet Vonno, performed the launching ceremony.



<https://vimeo.com/vanoord/launchvoxariane>

I Corporate strategy

Building the Future Together

In recent years, we have refined the building blocks of our strategy, such as our objectives, business unit strategies and our three strategic themes. In 2020 we integrated these components into a corporate strategy 2030: Building the Future Together. In a world that has perhaps never been as uncertain and difficult to predict as last year, we are setting a clear ambition for the coming decade.

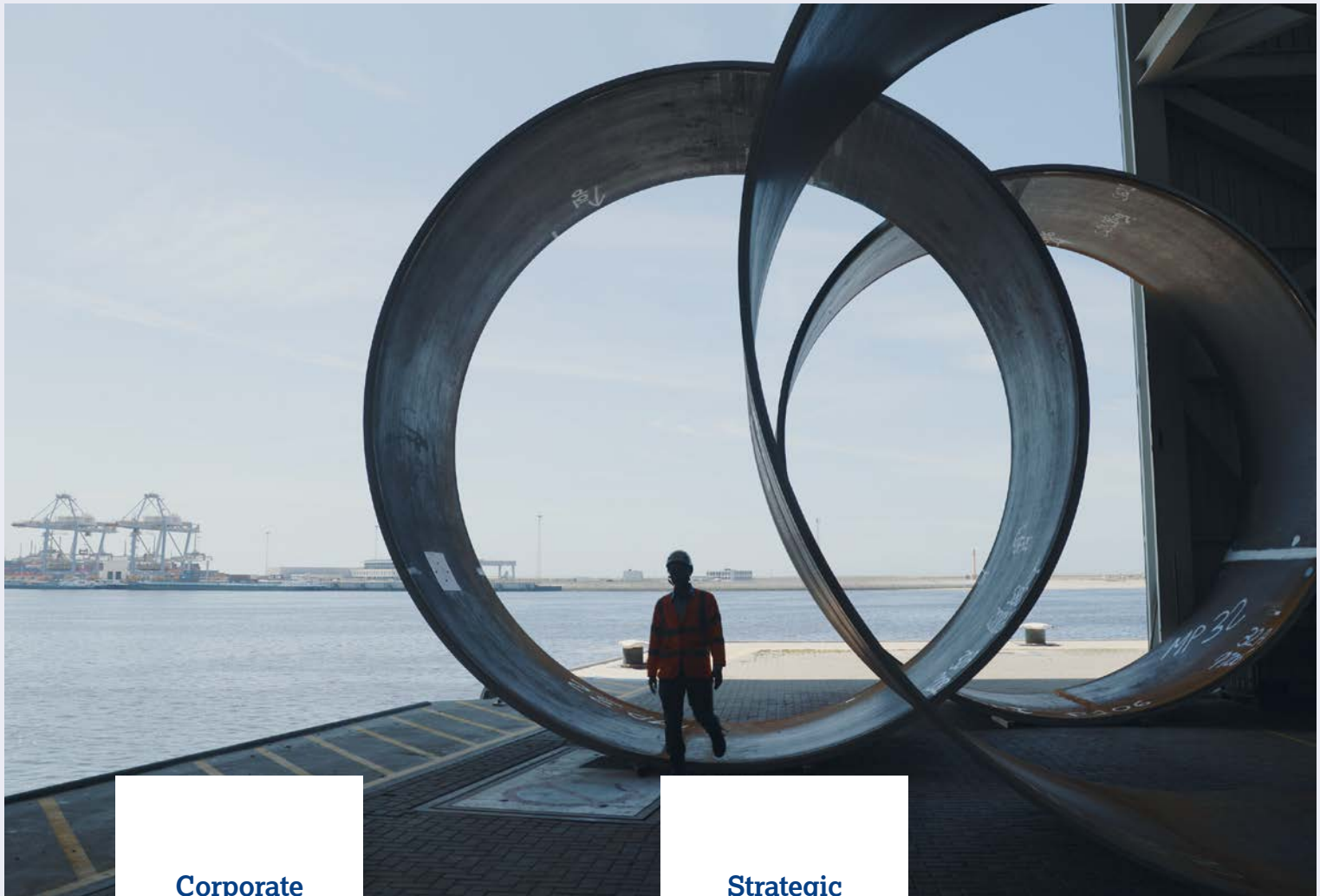
Our mission is to create a better world for future generations by delivering Marine ingenuity. We deliver long-term stakeholder value and client satisfaction by exceeding client expectations with a portfolio of marine businesses. We are an asset-enabled, knowledge-driven high performance organisation with focus on the right people, sustainability and digitalisation.

We continue to build a synergistic portfolio of leading marine businesses in asset-intensive and/or knowledge-based markets. In the coming years, we intend to leverage our offshore wind position, recover in dredging, defend the Netherlands and reshape our Offshore activities. Offshore wind is an attractive growth market in which we have built a leading position in Europe and see opportunities to strengthen and leverage this position into new geographical areas. The underlying markets for dredging show varying outlooks but medium and long-term growth drivers are positive. Our focus for Dredging is to recover our market share with a focus on sustainable and integrated solutions. We will focus on expanding our leading niche position in subsea rock installation while reshaping our offshore pipeline activities. In parallel, we will invest in new growth initiatives around global challenges such as new energy, floating renewables, marine health, asset integrity and scarcity. We consider the Netherlands as a breeding ground for knowledge development, innovation and talent. We are committed to maintain our leading position and complementary partner role in large multidisciplinary infrastructure projects in the Netherlands.

In all our chosen markets, we support our clients throughout the asset lifecycle with integrated solutions and a competitive and sustainable fleet. In the coming years, we will further extend our role as (co)developer of projects and invest in our presence in maintenance & repair. Our fleet will enable our businesses to provide sustainable, cost-effective services and best-in-class assets.

To become carbon neutral by 2050 – which is Van Oord's ambition – we face a major challenge in terms of finding new fuel technologies for our fleet and adapting our operations accordingly. The first steps have been made in our investment programme with the construction of three LNG-fuelled trailing suction hopper dredgers and the ordering of a new green cable-laying vessel with the latest sustainable technologies in order to reduce the carbon footprint.

In what was a difficult year, we managed to maintain our level of revenue and outperformed forecasts. In addition, by reorganising, reducing costs and optimising cash management in 2020, we have created important conditions for building and investing in our updated strategy 2030: Building the Future Together.



Corporate strategy

Our purpose is to create a better world for future generations by delivering Marine ingenuity.

We deliver long-term stakeholder value and client satisfaction by exceeding client expectations with a portfolio of marine businesses.

Strategic themes

We are an asset-enabled, knowledge-driven, high-performance organisation with a focus on the right people, sustainability and digitalisation.



The Right People



Sustainability



Vox Data

Business Unit strategies

We build a synergistic portfolio of leading marine businesses in asset-intensive and knowledge-based markets. We support our clients throughout the asset lifecycle with integrated solutions and a competitive fleet.



Dredging



Offshore Wind



Offshore



Netherlands

| The Right People



Employee at the offshore installation vessel Aeolus.

Our goal is to build a high-performance organisation that is a great place to work and conducive to exceeding client expectations. This requires a culture in which agility is the norm, focused on clients and results. We need to ensure that the people at Van Oord – from recent recruits to experienced seniors – are the right people at the right time and place. Equipped with the required expertise, skill set and behaviour to meet clients' expectations. >

Weathering the storm

As a project organisation, Van Oord needs the capacity to scale up and down as contracts are awarded or completed, as tenders are won or lost, and to cater to exceptional circumstances. In 2020, we faced an extraordinary challenge as a result of the global outbreak of COVID-19.

Van Oord already intended to cut costs in 2020. The fall in oil and gas prices caused many of our clients to cut back on investments. This decline has affected Van Oord's new business opportunities, and the pandemic aggravated the situation. As a result, 2020 was marked by focusing on organisational agility and reorganisation. The stagnation of growth in sectors such as dredging forced us to cut back on approximately 800 jobs in 2020, reducing the workforce from about 5,200 people to about 4,400.

The Works Council approved the application for the collective redundancy plan and supported the reorganisation, which was in the interests of our company and our employees. We developed a solid and responsible social plan for our employees to be made redundant. It included several procedures, ranging from close guidance to other work to using a severance allowance to postpone redundancy. By offering this range of procedures, Van Oord enabled its employees to choose the one that best suits their personal situation.

We adapted and restructured the organisation to ensure that we can weather the storm and remain competitive. Despite the organisational changes and the impact of the pandemic, however, our workforce managed to keep operations up and running. Van Oord is proud of its entire workforce for weathering the storm with such resilience. With a secure base in place, we look to the future with confidence.

Attractive employer

Van Oord has an appealing employee value proposition for attracting the right people: create a better world for future generations and provide good terms of employment and prestigious and challenging projects across the globe. Work-life balance, talent development and vitality are important elements of this proposition.

We communicated extensively with employees to find out how they were coping with working at home and to stress that management is available at all times to provide assistance. We also ensured that the government's measures were clearly conveyed following the press conferences by the Dutch prime minister and health minister.

> Our workforce managed to keep operations up and running

Aware that physical activity is a crucial ally for employees' physical and mental fitness, we continued to expand our StayFit concept by installing gyms on vessels. Employees were offered fitness programmes, including regular health checks. We also conducted four sample surveys among groups of 200 employees, each dealing with a specific health theme, to activate people's thinking about vitality and good health.

Van Oord also presented itself as a potential employer of choice by participating in several Meet & Greets to provide advice on how to enter the job market. Van Oord's recruitment department has extensive expertise in how companies view the labour market. This expertise is also useful for refugees and foreign professionals who end up in the Netherlands due to unfortunate circumstances. The participants of the Meet & Greets were given advice on how to position themselves in the market, and Van Oord was able to offer several of them internships to provide them with on-the-job experience.

The right conversation

The successful development of our employees is an important company objective. We encourage managers to discuss personal development with their team and to provide feedback. The new appraisal system, introduced in 2019, facilitates the 'right conversation' between leaders and their team members by fostering a different type of dialogue that encourages them to connect and allows employees to also give leaders feedback. Together, they not only look back at performance but also discuss the employee's development aspirations and how to achieve them.

Strengthening fundamentals

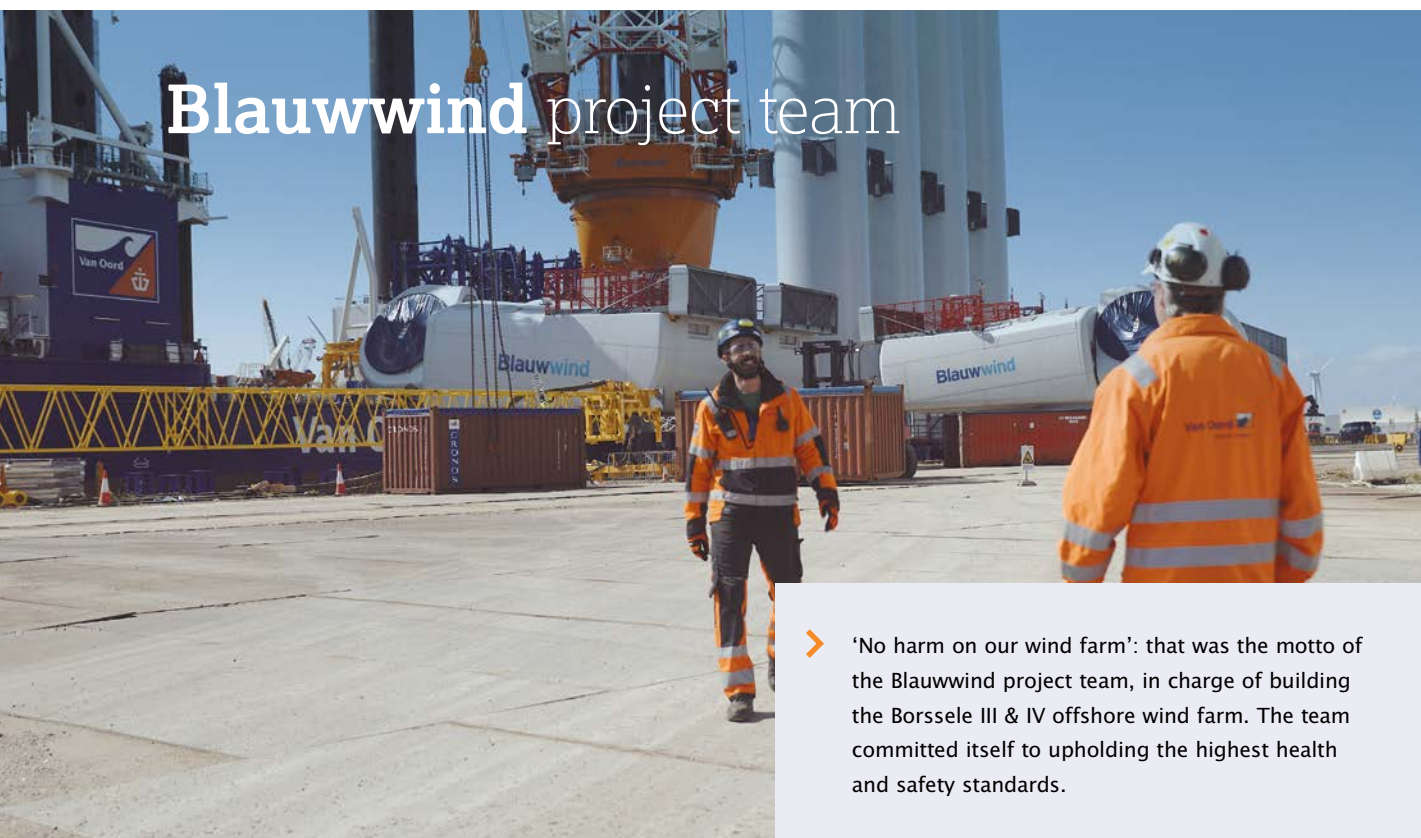
In 2021, Van Oord aims to further strengthen the HRM fundamentals by using state-of-the-art tooling to support our people. We want to enhance the employee journey, increase insights, improve data delivery and create clarity and control on the organisation's entire employment package, domestically and internationally.

Inspiration for the future

A global crisis such as the one precipitated by COVID-19 forces organisations to look in the mirror. We discovered several inspiring insights as a result of our organisational

self-analysis. One of them is that we want to migrate to a high-performance organisation and culture. One that prioritises the quality of its people and management. One that is agile, open and result oriented. And one that seeks continuous improvement and natural renewal.

A high-performance culture means accepting only the best in everything you do. It means exceeding client expectations. To that end, Van Oord has the right people in the right place at the right time with the right level of diversity in skills, capabilities and backgrounds. Moreover, we are creating a secure base for our employees so they have the freedom and courage to make mistakes on the path to high performances.



- 'No harm on our wind farm': that was the motto of the Blauwwind project team, in charge of building the Borssele III & IV offshore wind farm. The team committed itself to upholding the highest health and safety standards.



When we saw the full effect of COVID-19, we implemented a rigorous six-week rotation schedule for our crew. People would be quarantined, tested and isolated. Then they were put on the vessel in a bubble. The flexibility and the willingness of the crew has been tremendous and we are thankful for their support and that of their families. Especially the Filipino colleagues. Due to travel restrictions, they were away from home for an even longer period.

Henk-Jan van Dijk, Deputy Project Manager



<https://vimeo.com/vanoord/noharmonourwindfarm>

| Sustainability

Oyster structures were installed at the scour protection of two wind turbines in the Borssele Wind Farm Site V.

Sustainability, innovation and collaboration are key to successfully facing today's global challenges. Together we can create new solutions that contribute to a better world. The ultimate goal of our sustainability framework is to have a net-positive impact on people, planet and prosperity. >

Van Oord Sustainability Framework



Sustainability framework

Our sustainability framework has seven themes in total. The corporate sustainability framework emphasises three goals to grow our business: accelerating climate initiatives, enhancing the energy transition, and empowering nature and communities. They are the drivers for sustainable business growth and will help create a world that also works for people and the planet. We choose to invest in offshore renewable energy and energy infrastructure particularly when it is likely to accelerate the energy transition. We also set out to enhance climate adaptation and Building with Nature to protect vulnerable coastal areas and restore ecosystems.

Our theme on energy efficiency was given higher priority and a shift of focus to net-zero emissions was made in 2020. This reflects our desire to limit our impact on climate change.

Three themes are fundamental priorities to our sustainable performance as we set out to improve environmental and social impact, sustainable supply chain and attractive employership. These priorities are our licence to operate and govern the way we want to work: responsibly, safely, transparently and in line with international standards, striving to make a net-positive impact in all areas. An overview of our sustainability performance can be found in Chapter 3, Non-financial performance.

Our sustainability themes are closely linked to seven of the 17 UN Sustainable Development Goals (SDGs) on which our activities have the largest impact, while it is our aim to do well on all of them.

Net-zero emissions

In line with the growing societal urgency to combat climate change, we have taken a leap with respect to our emissions reduction goals. In August 2020, Van Oord sharpened its ambition to be carbon neutral by 2050 across scope 1, 2 and 3 emissions in line with the EU Green Deal. We also set intermediate targets to reduce carbon emissions by 2.5% a year. It is a target in line with the Paris Agreement and corresponds with what climate scientists believe is needed to limit global warming to well below two degrees. Van Oord also aims to reach zero sulphur oxides emissions (SO_x) and reduce nitrogen oxides emissions (NO_x) by at least 80% by 2050 compared to 2019 levels.

These targets will require and stimulate partnerships, innovation and ingenuity that will improve the energy efficiency of the fleet and enable the use of more low-emission fuels and technologies. For example, Van Oord decided to order a next-generation, custom-built cable-laying vessel that will be equipped with the latest emission-reduction technologies. To amplify the importance of net-zero emissions, we have joined the Carbon Disclosure

Looking for answers



climaterisk.data.vanoord.com

- How big is the impact of climate change in your habitat, who is vulnerable, and which coastal areas are most at risk? Looking for answers to these questions took months. But the result, the Climate Risk Overview, is stunning. Van Oord introduced this global online tool during the international Road to Climate Adaptation Summit (CAS) in October 2020.



Van Oord is known all over the world for its maritime expertise. We are very excited about collaborating with Van Oord to develop a multi-layered map which shows the geographical areas that are most exposed to climate risk and the marine-engineered solutions that can contribute to helping these areas.

Patrick Verkooijen, CEO Global Center on Adaptation

Project upon invitation of the Danish energy company Ørsted. This means providing transparency about our emissions and emissions reduction approach and progress. In the first year of registration, we obtained a Supplier Engagement Rating B-, which is above the global average (C).

Accelerating climate initiatives

In 2020, a dedicated programme was created to accelerate climate initiatives and lead our international Climate Adaptation Action Plan in collaboration with the Global Center on (climate) Adaptation (GCA), which is supported by the United Nations. The CEOs of GCA and Van Oord signed a Memorandum of Understanding to exchange expertise and ensure that knowledge of the best coastal protection solutions is shared to help adapt to the impacts of climate change.

We presented our Climate Adaptation Action Plan in October at the Road to the CAS (Climate Adaptation Summit).

The plan features three elements: The Climate Risk Overview tool, Solutions and a Knowledge Hub. The Climate Risk Overview is a digital, global and public tool that enables Van Oord – and others – to focus adaptation efforts on the most vulnerable coastal locations in the world. With this tool, we can identify the areas most at risk and take focused action. It brings together open source data and visualises key parameters such as population size, flood exposure, low lying land, coastal erosion and ecological data onto 10 kilometres stretches of the world's coastlines. Through our 150 years of experience, we can demonstrate a wide range of solutions that can protect coastal areas at risk. Some of these are iconic, world-renowned projects, such as the Afsluitdijk, the Sand Motor, and the Hondsbossche and Pettemer Sea defence. The latter are revolutionary examples of Building with Nature as the emerging standard for creating a more resilient world. Our leading role in EcoShape provides a strategic platform for knowledge and partnerships to implement nature-based solutions.

Looking ahead, once an inventory of vulnerable areas has been made, we will then use the Knowledge Hub to bring together expertise, experience with existing solutions and a range of actors including governments, financing parties and local stakeholders to take concerted climate adaptation actions that will enable prosperity in those areas.

Enhancing the energy transition

The ambition of Van Oord is to accelerate the energy transition while also creating societal value. We are fully committed to enhancing the energy transition by enabling the large scale roll-out of offshore wind and other forms of

sustainable offshore energy. We also support certain forms of fossil energy, particularly where that serves to decarbonise the global energy system (for example replacing coal) whereby we see natural gas as a lower carbon transition fuel that will be essential for ensuring a stable power baseload and associated energy system reliability until at least 2050. We will consider on a case-by-case basis whether to get involved in such projects by judging the overall impact on a broad set of sustainable development goals. Meanwhile, we are increasingly developing partnerships related to the green hydrogen economy that may hold the key to decarbonising shipping, aviation and heavy industries.

Coastline improvement project



- The coastline improvement project in Saly, Senegal is a good example of engaging the community. By restoring the coast and the beaches, the quality of life for the inhabitants and the local community was improved. The restored beaches will boost tourism, the main source of income for the local population.



In light of our struggle against coastal erosion, a recent lighthouse project with the World Bank has enabled the safeguarding of a significant coastal area. The restoration of beaches in the area has saved 17 hotels and other activities linked to tourism and fishing. I thank all the partners who support our climate adaptation programmes, like those in the Netherlands.

Mr. Macky Sall, President of Senegal



<https://vimeo.com/vanoord/saly>

Empowering nature and communities

Our ambition to make a net-positive impact on the world is inspired by our purpose and values. It confirms our leading role as a global frontrunner in enabling local prosperity and conserving, restoring and creating nature. By proactively engaging with local communities, we aim to incorporate their requirements and knowledge about the environment into more sustainable project designs. We also look for opportunities to employ people and use materials from the region. In 2020, several of Van Oord's projects aimed to rehabilitate, preserve and enrich the marine environment.

For the Fehmarn Belt Project, which involves the construction of a tunnel between Denmark and Germany, Van Oord developed PlumeGuard 2.0, a state-of-the-art measuring device to reliably and accurately monitor dredging plumes. The innovation makes it possible to control the ecological impact of dredging from the start of a project and thus limit the spread of turbidity to 'sensitive receptors', such as coral and seagrass. Another sustainable aspect of this project is the circular reuse of all the dredged material to build nature areas or reclamation sites with a nature-related function.

In 2020, Van Oord began designing coastal reinforcements to protect the Romanian resort of Eforie on the Black Sea from erosion. A key part of this design is the planting of artificial reefs and biostructures to enhance marine life in the area. Three hectares of seagrass will provide a habitat for numerous marine species and boost biodiversity. In 2021, Van Oord will conduct a pilot study to see which techniques work best in the area so they can be used to roll out seagrass on a larger scale in the future.

Our focus on empowering nature and communities to construct reefs, restore marine ecosystems and regenerate coral makes us unique in our sector. Based on years of research, development and pilot projects in several pristine and harsh locations, Van Oord is well-positioned to contract large-scale ocean health restoration projects in places where reefs, seagrass fields, mangroves or corals have been damaged in the past. Close partnerships and monitoring programmes are a key element in our approach to bring back essential ecosystem services for ocean health, fishery and tourism – and ultimately even coastal protection.

> We increasingly incorporate sustainability into tenders and projects

| Vox Data



The world is changing. A steady stream of new technologies is impacting the way businesses operate, and our own lives are becoming more digital by the day. The Vox Data programme is integrating digital technology into all areas of the business, fundamentally changing how it operates and is delivering value directly to our clients.



Working on board cable-laying vessel Nexus.

Van Oord's digital transformation strategy rests on three pillars: exceptional client value, increasing operational excellence and business growth. By using data and digital solutions, we can optimise client value and increase operational excellence. Business growth is about looking for enablers and new business models by integrating digital technology within our day-to-day business processes. The digital transformation strategy is supported by two enabling programmes, Digital movement and Data management.

Digital movement to stimulate client centricity

The Vox Data strategy is not just about changing the IT environment, it is about adapting to a changing environment. To remain successful for at least another 150 years, we want to embrace new ways of working and thinking. Understanding what technology can bring and how it can threaten our business is crucial, for all employees. We encourage them to adopt 'outside-in' thinking and to get connected with new technology partners to create added value for clients and suppliers.

In 2019, senior managers of the four business units and staff departments brainstormed about digital initiatives that could add value to clients. The focus is on client centricity. How can you truly understand your clients' digital requirements and keep pace with their digitalisation journeys? In 2020, Vox Data set up pilot projects to test these ideas: for example a Commercial Intelligence Platform and a Project Progress Dashboard.

Commercial Intelligence Platform

One of the focuses in 2020 was on digital transformation pilot projects. One of the initial aims of these projects is to help Van Oord's employees understand what the digital transformation means and show them how digital solutions can give them added value. The Commercial Intelligence Platform is a good example. It was first tested in the Offshore business unit in 2020. This accessible online platform contains key commercial data collected from different sources. It enables Offshore to generate overviews of the market and make data-driven decisions to develop strategies and enhance its business. Because the platform was well received by the Offshore business unit, it is now being developed in the Dredging business unit as well.

Project Progress Dashboard

Another successful pilot project is the Project Progress Dashboard. It is being developed by the Offshore business unit and the Vox Data team, in close cooperation with

a client. The dashboard explores ways of sharing knowledge about marine operations, such as project information, costs, production and emissions. It is available 24/7 through an app. The Project Progress Dashboard is also being tested in the Offshore Wind business unit. It is being used to monitor real-time progress in projects, such as the number of monopiles or cables that have been installed.

Digital Week

To learn more about the possible benefits of the digital transformation, we organised our first Digital Week in September 2020. Fourteen online sessions were held involving almost 1,400 visitors. They covered topics such as the ActivityLog, a mobile app system to log activities and productions of our main equipment. Another was VOXTRANS, an app to formally and legally register the transport of sand, clay and rocks digitally, as opposed to doing it on paper.

Vox Metiri unmanned survey vessel

Vox Data initiatives augment knowledge and experience with data-driven information and insights. This approach has generated several ideas from in-house departments for digital client solutions which have been piloted and/or scaled up, for example the Vox Metiri. The idea for the first unmanned (autonomous) survey vessel to be built by Van Oord originated in the Survey department. The objective was to obtain more measuring data for the client at lower cost and to increase safety by eliminating an onboard operator and surveyor. Thanks to its small dimensions, Vox Metiri can operate in places that a normal survey vessel cannot access. In 2020, it surveyed two areas, in the river Rotte and in a basin in the Spaanse polder, for the A16 motorway project in Rotterdam.

Estimating Landscape

Several years ago, the Engineering & Estimating department teamed up with Operations and Finance to automate routine tendering and estimating processes for offshore wind and other energy-related contracts. They created a digital system, known as Estimating Landscape, which logs how long operations take and the amount of material used. The database delivers validated and verified product and cost information that supports more accurate and faster tendering. Estimating Landscape has enhanced the quality of several offshore wind tenders. In 2020, the Vox Data team further refined the programme for use in offshore and dredging tenders.

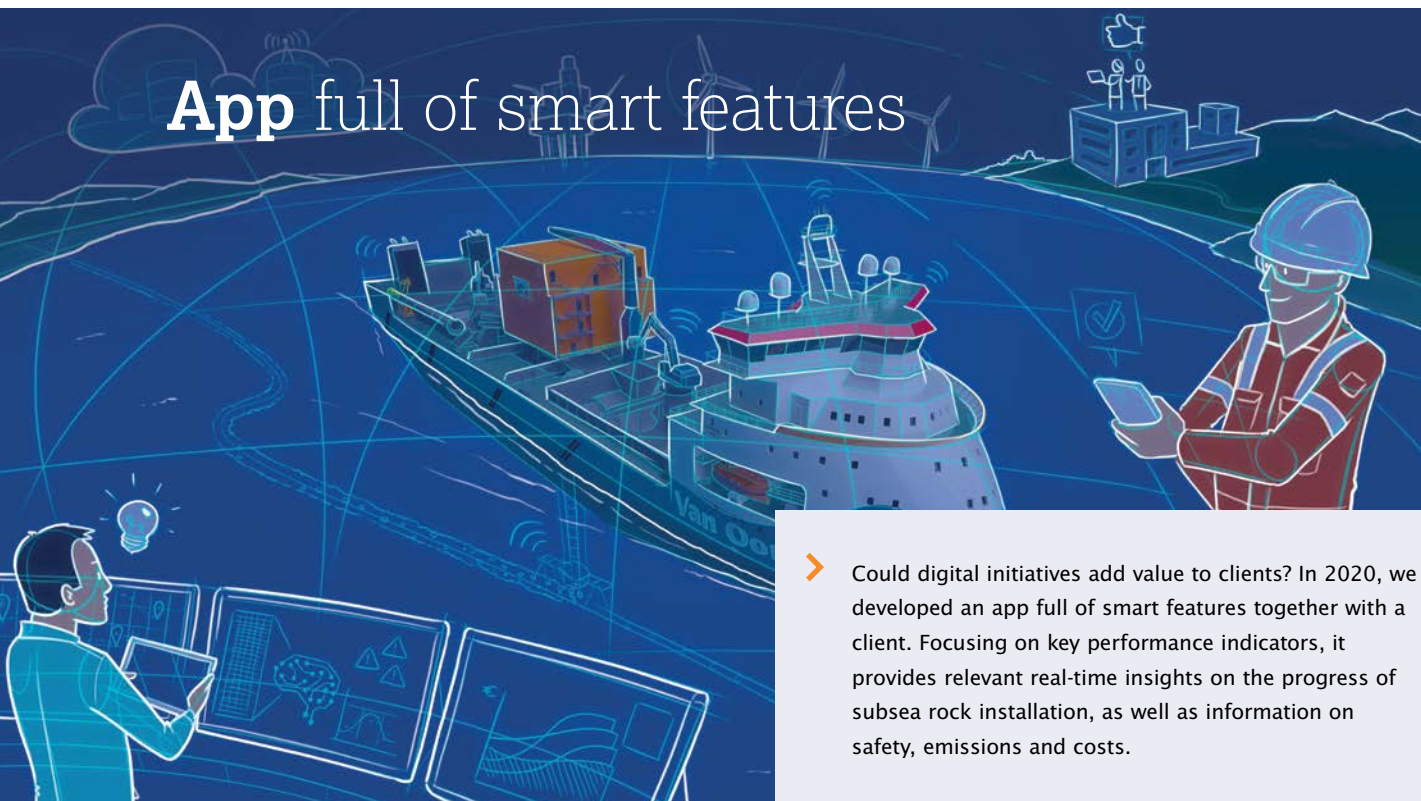
Data management

To enable our digital ambitions, Van Oord needs standardised and easy-to-use data, combining internal and external data sources. Data management is the programme that builds this foundation. The purpose of data management is to organise processes in such a way that high-quality information can flow freely and securely internally, as well as externally to suppliers, key partners and clients. In 2020, the data management programme started the Data Management Digital Platform. This platform is all about getting reliable insights from trusted data on demand. It delivers core functionalities such as master data management and data collection. Moreover, it ensures that these data are fit for purpose. The platform also facilitates management reporting and real-time visualisations.

Outlook

Vox Data will maintain its focus on the Digital movement and Data management programmes and scale up promising pilots, supported by a dedicated team of employees.

Another focus for the future is to explore ways of driving Van Oord's sustainability strategy through digitalisation. Sensoring, data collection and analytics are all key aspects of monitoring progress in reducing emissions. Now that the foundation of digitalisation is being laid, Van Oord's staff will apply new ways of working with the data that becomes available on the digital platform. That means prioritising different capabilities and connecting more systems and processes to the platform with an eye to improving operational excellence and driving business.



- Could digital initiatives add value to clients? In 2020, we developed an app full of smart features together with a client. Focusing on key performance indicators, it provides relevant real-time insights on the progress of subsea rock installation, as well as information on safety, emissions and costs.



The app will improve the flow of project information and make data readily available at any moment in time. Thanks to the good cooperation with the client, we can adopt these new digital initiatives.

Gilles Bresser, Vox Data Project Lead



Watch video on <https://vimeo.com/vanoord/voxddata>

I Stakeholders and materiality matrix

To fully understand and meet our social responsibility, it is important that we prioritise the opinions and wishes of our stakeholders. Therefore, every 2-3 years we conduct a comprehensive stakeholder analysis to validate the most material themes that significantly affect our ability to create value for Van Oord and for society.

The results of ongoing dialogue with employees, industry experts and other stakeholders, as well as the materiality assessment of 2018, provided a long list of material topics. The list was longer than in previous years as we split the Licence to grow themes in specific topics such as biodiversity, Building with Nature, hydrogen and greening financing. We asked 44 stakeholders (shareholders, clients, financial institutions, suppliers, NGOs and employees) to take a survey. They assessed each topic with a score of 'moderate', 'high' or 'very high' based on the impact these topics have on Van Oord and the degree to which they have been impacted by Van Oord's business activities. In addition, we asked them to provide their opinion on Van Oord's sustainability performance and any potential areas for improvement. Subsequently, we interviewed mostly external stakeholders to focus on the topics they considered most relevant.

The results of the survey are shown in the materiality matrix. The vertical axis shows the so-called 'double materiality perspective' in line with the Non-Financial Disclosure Directives, i.e. business impact by/on Van Oord of the topics according to our external stakeholders. The horizontal axis shows the business impact by/on Van Oord of these topics

according to our internal stakeholders. In comparison with the 2018/2019 materiality assessment, we see that environmental impact (pollution), compliance and social impact/human rights have gained relevance while safety remains paramount. There is also confirmation that emissions reduction is a priority and that we make the most significant impact on climate adaptation and enhancing the energy transition. We have integrated these results into our updated strategy 2030 and will enhance reporting on selected topics. The inclusion of the non-financial KPI 'Significant spills' in this report is an example.

Sustainability performance

The overall conclusion of the stakeholder assessment is that our awareness of sustainability improved. Moreover, our knowledge and skills have developed throughout the organisation, particularly regarding Building with Nature. Both internal and external stakeholders concluded that we are making positive contributions, even though we have the knowledge and tools to make an even bigger impact. Specifically, we should use our expertise and equipment to protect vulnerable areas against climate change.

“Try to be more open and search with the customer for more Building with Nature solutions. It will bring a lot to Van Oord and the world!”
Pieter van Eijk, Head of the Coasts and Deltas programme, Wetlands International

‘Like no other, Van Oord can position itself as an extremely resilient company with an enormous potential for creating a sustainable society.’
Frank Goossensen, Executive Director, Arcadis

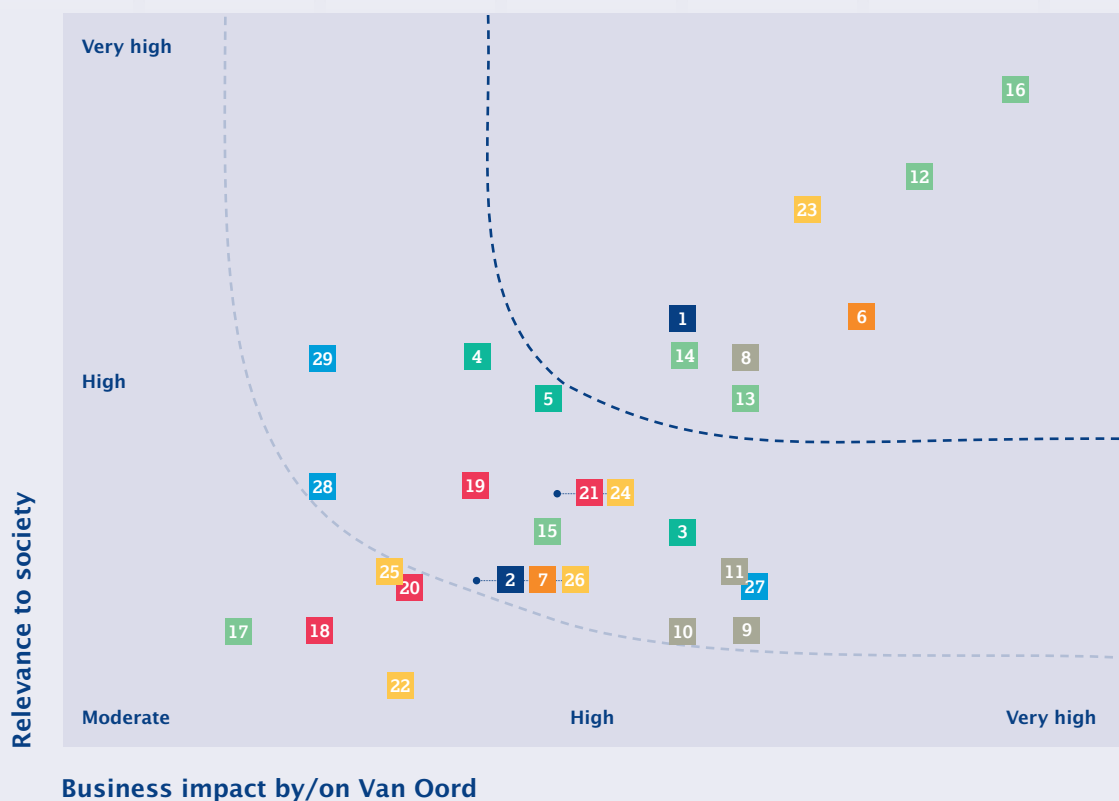
‘Van Oord has been transparent and is driving change in the sector.’

Ruben Dijkstra, Director Offshore, Eneco

‘Share dilemmas to raise awareness that operating in remote countries is much more complex than people realise.’

Robert Poelhekke, Director, Netherlands Association of International Contractors

Materiality matrix



We are seen as leaders who should rally others to raise standards in our industry by sharing our knowledge with governments, financial institutions and sometimes even competitors. The overall advice is to take the lead in proposing more sustainable and collaborative approaches when communicating with (future) clients.

Measuring and communicating our impact

The interviews were used to drill down on the measurement and communication of impacts related to the most material topics. Stakeholders regularly mentioned the Van Oord magazine as one of their main sources of sustainability news. They were relatively positive about the degree of transparency in relation to our sustainability performance. However, they also provided us with several suggestions. The overall advice was to communicate both the progress we have made and the dilemmas we have faced. Openness, honesty and integrity are fundamental aspects of this process. Finally, maintaining a dialogue with local communities and other stakeholders, and keeping others informed should be a key part of transparency.

Regarding the measurement of our impact, stakeholders suggested collaborating with partners and competitors to develop usable concepts for measuring impact and achieving progress throughout the sector. Van Oord should focus less on the impact made during our work on a project and more on the impact and value of a project throughout its lifecycle on its surroundings.

Discussing dilemmas

In addition to formal stakeholder interviews, the Executive Committee is advised by the Sustainability Advisory Board concerning matters that relate to our impact on society. The Sustainability Advisory Board is made up of external experts and serves as a think tank, sounding board and above all inspirator.

The Sustainability Advisory Board held three meetings in 2020. Sustainability dilemmas were regular agenda items for these meetings. Examples included:

- Climate adaptation: To what extent should Van Oord invest in affirming its global leadership in climate adaptation?
- Reducing our carbon footprint: How ambitious should our emissions reduction targets be?
- Environmental and social due diligence: Lessons learned from Angola.
- The impact of COVID-19 on our business versus the opportunities to 'build back better' towards a more sustainable world.

> Sustainability Advisory Board

J.P. Balkenende – Former Dutch Prime Minister, External Senior Advisor for EY, Professor of Governance, Institutions and Internationalisation at Erasmus University Rotterdam, Chairman of the Dutch Sustainable Growth Coalition, and member of the World Leadership Alliance and the Supervisory Board of ING.

W. van Dieren – Member of the Club of Rome, initiator of Springtij Forum, member of the World Academy of Art and Science, and founding father of Friends of the Earth Netherlands.

K. Maas – Professor of Accounting and Sustainability at the Open University, Academic Director of Impact Centre Erasmus (ICE), and member of the Boards of VBDO, International Association for Business and Society, Sustainability and Environmental Management Accounting Network, Sustainable Finance Lab.

M. Demmers – Director of the Dutch Natuur & Milieu foundation and member of the Supervisory Boards of FMO, AquaMinerals, DRIFT for transition.

Value creation model

To properly understand how Van Oord impacts society, we have visualised the value we create for our stakeholders and our long-term impact on society using the UN's Sustainable Development Goals. Van Oord's value creation model is visualised in this report.

Van Oord deploys valuable resources (input) to enable our business model. Our model highlights the most valuable assets that provide the necessary input to perform our core activities. The value we create for our stakeholders is the effect of our business model (output). It is through our business results and influence on our stakeholders that we can have an impact on society.

Input

Business model

Value creation model



People

It's ingenious people who make Van Oord what it is. We encourage and support personal development, continuous training and a focus on health and safety.

- 4,369 employees, 73 nationalities
- Trained and highly motivated employees



Knowledge

With 150 years of experience as an international marine contractor, our intellectual capital is deeply embedded in our company. We develop new marine solutions and innovations and have standard processes worldwide.

- Ingenuity hub for overall innovations
- Van Oord Management System (VOMS)



Social impact & relationships

As a family-owned company, we care about creating a sustainable world. Customer intimacy and partnering are key.

- Good reputation
- Long-term stakeholder relationships and strategic partnerships



Financial capital

Our shareholders and creditors provide us with a solid financial position. With regard to the company's continuity, we maintain an order book of projects that Van Oord has been awarded but has yet to carry out.

- EUR 1,015 million equity
- EUR -24 million net debt
- EUR 3,553 million order book



Organisational capital

We operate a versatile fleet to execute the projects around the world.

- Fleet of high-quality vessels and other equipment
- Branch offices and yards worldwide



Natural capital

Our business makes use of natural resources.

- Fuels
- Sand and rock
- Energy
- Steel

> Why

Purpose

Creating a better world for future generations by delivering Marine ingenuity.

> How

Mission

As a global marine contractor with over 150 years of experience, we focus on dredging and marine construction, offshore wind, offshore infrastructure, and infrastructure in the Netherlands. We work closely and safely with our clients and stakeholders to create innovative and sustainable solutions.

Values

we (**create care work together succeed**)

Tendering, Engineering Procurement



Construction



Maintenance

Corporate strategy

We deliver long-term stakeholder value and client satisfaction by exceeding client expectations with a portfolio of marine businesses.



The Right People



Sustainability



Vox Data

> What

We offer a safe working environment for skilled people as well as professional and personal development.

We want to be recognised as an attractive employer.

- 2,842 participants in classroom training courses
- 5,241 participants in e-learning training modules
- 0.48 Total Recordable Injury Rate (TRIR)
- 0.18 Lost Time Injury Frequency Rate (LTIFR)



Dredging

We offer Marine ingenuity and strive for continuous improvement to provide our clients with innovative and sustainable solutions.

- Partnering for new innovations



Offshore Wind

We take responsibility. For each project, we consider the environmental and social impact. We try to maximise positive impact and avoid or mitigate negative impact.

- Environmental and Social Impact assessments
- OECD Guidelines for Multinational Enterprises
- Sustainable supply chain of 931 suppliers which we have assessed on environmental, social and corporate governance risks.



Offshore

We create cash flow from operational, investment and financing activities.

- 3.6% return on capital employed
- EUR 165 million net cash flow
- EUR 16 million dividend



Netherlands

We maintain a state-of-the-art fleet and invest in digitalisation projects and improvements to better meet the demands of our clients.

We aim to reduce our energy consumption and greenhouse gas emissions. Energy-efficiency measures have been taken to reduce our carbon footprint. Supplier due diligence is investigated when using natural resources during execution of our work.

- 8.7% fleet efficiency improvement compared to 2010 (cumulative)
- ISO certifications for quality, environmental, energy, health and safety management
- Start dedicated Climate Adaptation Action Plan



Value for the client

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



17 PARTNERSHIPS FOR THE GOALS



Economic development, employment opportunities and social development

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



17 PARTNERSHIPS FOR THE GOALS



Continuity of our company

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



17 PARTNERSHIPS FOR THE GOALS



Accelerating climate initiatives

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS



Enhancing the energy transition

7 AFFORDABLE AND CLEAN ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



17 PARTNERSHIPS FOR THE GOALS



Empowering nature & community

11 SUSTAINABLE CITIES AND COMMUNITIES



14 LIFE BELOW WATER



17 PARTNERSHIPS FOR THE GOALS



Performance

3

Financial performance > 57

Non-financial
performance > 58

Investments > 64

Our fleet > 66



I Financial performance

In this extraordinary year, with the impact of the COVID-19 pandemic, our financial performance has been relatively stable which is quite a performance in challenging circumstances. In 2020, Van Oord recorded EUR 1,677 million in revenue (2019: EUR 1,644 million) and we realised a net profit of EUR 33 million (2019: EUR 46 million). Cash performance was strong, resulting in a positive cash position at year-end 2020 of EUR 24 million (2019: net debt EUR 307 million). Our order book remained stable at EUR 3,553 million (2019: EUR 3,610 million).

The revenue build-up in 2020 varied compared to 2019. The Dredging business unit saw a further decrease to EUR 598 million (2019: EUR 690 million) due to the ongoing market pressure, enhanced by COVID-19. The Netherlands business unit increased its revenue to EUR 236 million (2019: EUR 173 million) driven by the large projects in execution (Afsluitdijk, A16 Rotterdam motorway project). The revenue of the Offshore Wind business unit also picked up (2020: EUR 632 million, 2019: EUR 571 million) due to the increased activity levels on projects in execution. The Offshore business unit kept its revenue level stable, at EUR 211 million (2019: 210 million).

Our net profit of EUR 33 million is lower than 2019 (EUR 46 million) but reasonable considering the difficult circumstances. COVID-19 and the reorganisation burdened us with extra expenses running into the tens of millions. Our 2020 result was driven by good project execution and (relatively) good project results, combined with significant cost savings on overhead costs.

The occupation of our fleet showed a mixed picture. The capacity utilisation rate for our trailing suction hopper dredgers was 23 weeks (2019: 22 weeks), whilst our cutter section dredgers saw a decrease to 16 weeks (2019: 21 weeks). In Offshore Wind, the equipment utilisation amounted to 31 weeks, almost in line with 2019 (32 weeks). The flexible fallpipe vessels realised 36 weeks compared to 39 weeks in 2019.

Financial position and cash flow

Our financial position remained strong in 2020 with equity amounting to EUR 1,015 million (2019: EUR 1,008 million) and solvency at 41.3% (2019: 41.8%). We realised a positive cash position of EUR 24 million, compared to a net debt position of 307 million per year-end 2019 and are well within the terms and conditions of our credit facilities.

The positive change in our debt position was mainly due to the strong operational cash flow (2020: EUR 476 million, 2019: EUR 30 million) driven by favourable working capital developments and by EBITDA. Further, we temporised our investing cash flow (2020: EUR 120 million, 2019: EUR 222 million) mostly by temporising our fleet renewal activities.

Order book

Our order book amounts to EUR 3,553 million which is stable compared to 2019 (EUR 3,610 million). The same applies to our 2020 project awards, amounting to EUR 1,620 million whereas in 2019 we were awarded EUR 1,578 million.

Return on capital employed

We realised a return on capital employed of 3.6% (2019: 5.5%). This development was driven by lower EBIT and higher capital employed compared to 2019.

Non-financial performance

Seven themes hold the key to Van Oord's sustainable performance. These priorities are our licence to grow and our licence to operate. They help us to remain successful as a company and to create a net-positive impact.

We quantify many of our achievements in the form of key performance indicators (KPIs). Van Oord measures and verifies its sustainability performance and publishes the results annually. We are guided in this by the Global Reporting Initiative (GRI) Guidelines. In 2020, our auditor assessed selected KPIs and issued an assurance report (see the section 'Other information' in this report).



Accelerating climate initiatives



Empowering nature and communities



Enhancing the energy transition



Net-zero emissions



Environmental and social impact



Sustainable supply chain



Attractive employership

Accelerating climate initiatives



Nature and communities all over the world are affected by the impact of climate change. The impact includes stress on our environment, as well as on our economic, social and political systems. To withstand further effects of climate change, societies need to adapt and nature needs to be protected from damage. This is particularly true for societies within densely populated delta areas, which are often extremely important economic centres that provide jobs, infrastructure and utilities.

As part of the Climate Adaptation Action Plan, we developed the Climate Risk Overview, a global tool that combines multiple data layers and enables us to identify the world's coastal areas most at risk of becoming flooded. The tool highlights more than 60,000 hotspots – with more than 120 million people at risk – and was validated by an external panel of experts and presented at the Climate Adaptation Summit 2021. We also developed a portfolio of proven coastal protection solutions that will serve as inspiration and guidance for building climate resilience at those coastal hotspot locations.



Our sustainable working methods and innovations enable us to protect the environment and create value for the communities in which we live and work. That is why we need to empower our nature and communities and act now. While creating marine infrastructure, we aim to promote socio-economic development and enrich biodiversity. We want all of our projects to have a net-positive impact on society.

For Van Oord, to mitigate potential negative impact calls for an exceptional effort. Conventional hydraulic engineering methods such as dyke reinforcement and beach nourishments are required to protect people. However, where possible we use a more integrated approach based on advanced, nature-based, tailor-made solutions. We work in close cooperation with stakeholders in general and specifically with local communities affected and involved thus creating mutual gain in relation to techniques to be used and the social and non-social environment. Empowering nature and communities means that project development must always take into account the physical, ecological and socio-economic aspects of a project. It must also use the latest, state-of-the-art scientific insights. And it must always aim to have a net positive impact on people, the planet and profit.

Designs that reinforce nature

In 2020, Van Oord worked on a number of projects that incorporated newly developed nature-friendly components.



Borssele Wind Farm Site V

Eco-friendly scour of 500 oysters

For the Borssele Wind Farm Site V, four oyster broodstock structures were installed at the scour protection of two wind turbines. These structures serve as local larvae pumps, to induce the release and settlement of oyster larvae and initiate oyster reef development on the wind farm.



Borssele III & IV offshore wind farm

Eco-friendly scour of 2,400 oysters

On the Borssele III & IV offshore wind farm, four oyster tables were placed at the scour protection of four wind turbines. These will be monitored for future oyster reef development on the wind farm.



Scour protection monitoring survey

4 offshore wind farms observed: Gemini, Luchterduinen, Princess Amalia, and Belwind

A scour protection monitor survey was carried out by video to assess the status of marine life in four offshore wind farms. These wind farms differ in age and geographic location and were selected so we can observe colonisation by different benthic communities over time.



Hollandse Kust Zuid offshore wind farm

Eco-friendly rock berm with calcareous stone marble at 3 cable crossings

Eco-friendly rock berms consist of a top layer of calcareous stone marble instead of the conventional quarried granite. This solution is expected to contribute to the development of marine benthic species that benefit from calcareous materials, for example for the production of their shell.

Enhancing
the energy transition



Van Oord has been a pioneer in the offshore energy transition. Since our initial involvement in wind farm installation in 2002, Van Oord has contributed to the installation of a cumulative renewable energy capacity of 14,451 MW. Our work in these projects ranges from transporting and installing main components to delivering turnkey projects, including engineering, procurement and construction of fully renewable energy projects.

In 2020, we completed several major offshore wind projects. We completed the construction of the Borssele III & IV offshore wind farm off the coast of the Netherlands, where we provided the full range of Balance of Plant

services. In the adjacent Borssele I & II offshore wind farm, we finalised the installation of all inter array cables. In the innovation site Borssele V, we showcase several innovations at two commercial offshore turbines, which we successfully completed in 2020. The highlight of this project was the installation of the first Slip Joint monopile connection. This new connection allows the monopile and transition piece to be split into two sections.

Van Oord is determined to extend its pioneering role in offshore renewable energy by contributing to the decarbonisation of the worldwide energy system.

Net-zero
emissions



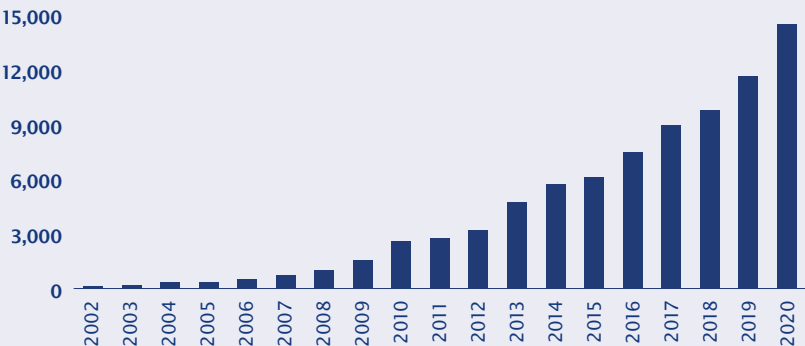
Van Oord is committed to net-zero carbon emissions by 2050. As key enabling indicators to reduce our carbon footprint, we measure the energy-efficiency of systems and vessels and the use of low-carbon fuels.

Fleet energy efficiency improvement

Every year, we calculate the fleet energy efficiency improvement for all of the equipment owned by Van Oord. The addition of new vessels and the removal of older vessels typically improves energy efficiency. By the end of 2020, we had improved efficiency by 8.7% compared to 2010. Since this indicator only measures improvements in technical energy efficiency, it does not show the impact of many other interventions on carbon reductions. For example, our focus has now broadened to the use of low carbon and renewable fuels. As a result, we will review our energy and emissions reporting indicators to better gauge progress towards our goal of reaching net-zero emissions by 2050.



Cumulative involvement in offshore wind capacity installed



Fleet energy efficiency improvement

2010	baseline
2011	1.8%
2012	1.8%
2013	3.3%
2014	4.2%
2015	5.2%
2016	5.6%
2017	6.0%
2018	7.4%
2019	8.2%
2020	8.7%



Low carbon fuels

Van Oord is working on numerous ways to reduce fuel consumption and greenhouse gas emissions. By modernising the fleet – for example by investing in LNG hoppers and highly efficient water injection dredgers – and replacing older vessels, we are significantly improving our emission performance.

The crane vessel *Werkendam* is powered by LNG and is popular in ports and for near-shore operations because of the significant reduction of various emissions (for example 90% less NO_x compared to conventional diesel). In 2020, we extended the use of various types of low carbon biofuels to six vessels displacing 8.8 GWh of fossil energy. This delivered a CO₂ reduction of roughly 3,000 tonnes.

Carbon footprint

Energy consumption includes equipment owned by Van Oord, such as our vessels, as well as offices and yards, lease cars, private cars used for business travel and air travel. Equipment deployment represents more than 97% of total energy consumption and this type of energy use is dominant and linked directly to project execution. Travel takes a distant second place, with air travel being dominant in this energy use category. In 2020, our carbon footprint was almost 8% lower than in 2019. The main reason for the reduction of our footprint in 2020 compared to 2019 is less deployment of some vessels. We further benefited from the first year of the *Vox Amalia* which operates with a higher energy efficiency. In addition, we commissioned the first heavy-duty, fully electric, hydraulic excavator in the Netherlands to reduce CO₂ and NO₂ emissions during civil operations.

Carbon footprint in tonnes
of carbon dioxide

589,068

2019: 639,753



% related to equipment
deployment

97.95

2019: 96.81

- Van Oord developed sustainable biofuel in partnership with Shell. Compared to conventional marine fuel, it has proved to be an effective and affordable method for reducing carbon emissions. After a successful pilot project in Germany in 2019, the trailing suction hopper dredger *HAM 316* is running on biofuel at the coastal protection project at Lincolnshire this year and will in future campaigns too. It reduces the project's carbon emissions by 45% annually.



Environmental and social impact



Van Oord carries out its projects with a view to address social challenges and protect biodiversity and ecosystems. We do this by proactively defining, managing and monitoring environmental performance associated with these challenges.

Environmental and social compliance

Van Oord has enhanced its environmental and social compliance processes. In 2020, we updated our environmental and social due diligence process based on OECD Guidelines and the UN Global Compact Principles. The assessments of environmental and social impacts consist of information gathering from the Environmental and Social Impact Assessment (ESIA), permits and other documents provided by the client and other available sources, such as engagement with stakeholders. As part of its tender and execution process, Van Oord develops a Construction Environmental Management Plan (CEMP), in line with requirements and based on input provided by the ESIA and other documentation and information. The CEMP and the resulting environmental management actions are part of Van Oord's Management System.

Spills with significant environmental impact

We are committed to make ongoing efforts to conserve natural resources without compromising a safe and comfortable work environment, and we take measures



Spills with significant environmental impact

0

Sustainable supply chain



In 2020, we introduced active supplier management and a new process through which we assess all our active suppliers on environmental, social and corporate governance risks. As part of this process, we now scan suppliers using external data provided by a data science company to understand how companies conduct business with regard to human rights, labour standards, corruption and environmental issues. As result of this new process we managed a tremendous increase in the number of suppliers that have been qualified. Up to December 2020, we collected data from 931 suppliers, representing approximately 80% of the external total spent.

Of the 931, 33 have a risk profile that is higher than average in terms of business impact and complexity of product or service. Those high-risk suppliers were part of an extended assessment and provided sustainability and QHSE information, for example with respect to ethics and human rights, anti-corruption measures, sustainable procurement practices and adherence to the OECD Guidelines for Multinational Enterprises. It is our goal to cover approximately 90% of the spend by suppliers that are assessed by the Van Oord supplier qualification system.



Number of suppliers for which we have collected sustainability and QHSE data

931

Attractive employership



For Van Oord, being an attractive employer means providing a safe working culture and retaining and attracting the best possible talent by being the employer of choice. As part of our HR agenda we are in the midst of a transition towards a high-performance organisation. That means we are focusing on client propositions, being result-driven, teamwork, leadership, attracting and retaining top talent, and diversity.

Offering good terms of employment is important. We want all our employees to work happily, safely and in good health. Our personnel policy is designed to attract the best people and to encourage all our employees to get the best out of themselves. Specific focal points are vitality, work-life balance and talent development. Due to COVID-19 and our cost reduction programme we temporised our education efforts.

Safety



Total Recordable Injury Rate (TRIR)

0.48

2019: 0.65



Lost Time Injury Frequency Rate (LTIFR)

0.18

2019: 0.23



Employees

4,369

2019: 5,217

at Van Oord
(in FTEs)

Nationalities

73

2019: 71

employed by Van Oord



Sick leave rate

4.1

2019: 4.2

Sickness absence as % of
employees on the
Dutch payroll



Male

86

2019: 85

Ratio

%



Female

14

2019: 15

Training courses

Participants
in classroom
training courses

2,842

2019: 5,447



Safety

859

2019: 2,153

Professional
development

1,874

2019: 3,070

Management
& leadership

109

2019: 199

Participants
in e-learning
training modules

5,241

2019: 7,680

Trainees in
Van Oord's technical
traineeship

12

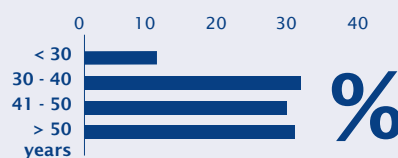
2019: 25

Our associations

Members of Young Van Oord

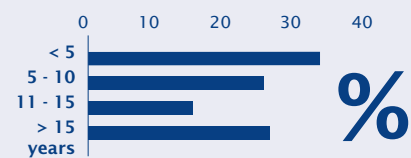
680

Average age



of 3,893 employees (head count) on
the Van Oord payroll worldwide

Average number of years of service



of 3,893 employees (head count) on
the Van Oord payroll worldwide

Investments



Van Oord wants to continuously reinforce its market position by investing in state-of-the-art sustainable technology. All investments go hand-in-hand with Van Oord's purpose of making a better world for future generations. ➤

Water injection dredger Mersey under construction.

The dredging fleet renewal plan will result in a smaller dredging fleet, with the same capacity but one that is more efficient and competitive. By 2022, we will have a fleet with four new vessels to boost our dredging market position going forward. The first of these new vessels, trailing suction hopper dredger Vox Amalia, was christened in December 2018 by Her Majesty Queen Máxima in Rotterdam during the celebration of Van Oord's 150th anniversary. The vessel was built with energy efficiency in mind to leave the smallest possible carbon footprint. After setting up and fine-tuning the installations and completing all of the trials, this vessel successfully embarked on its first project in early 2020. This was a milestone for our company. The brand-new vessel reinforced the coast at Den Helder by distributing more than 3.5 million cubic metres of sand in a deep channel just off the coast.

LNG hoppers

Van Oord is having three new trailing suction hopper dredgers built in Singapore: the Vox Ariane, the Vox Apolonia and a third one, which is yet to be named. The first vessel will be delivered in 2021, the second and third vessel in 2022. Each of these vessels has a hopper capacity of 10,500 cubic metres and is fitted with an LNG installation. Another innovation is advanced automation: the integrated ship data can easily be processed by an onshore support centre.

Water injection dredgers

The success of our water injection dredging (WID) technique led us to commission Kooiman Zwijndrecht to build two WID vessels, the Maas and the Mersey. The new vessels will be equipped with a hybrid energy management system and a waste heat recovery system. That means that their engines can operate on high efficiency by charging or discharging the batteries based on the energy demand. Delivery is expected in the first half of 2021.

Green cable-laying vessel

To support our ambitions in the offshore wind market, we have commissioned VARD in Norway to build a new green cable-laying vessel. The new DP2 vessel will be equipped with a below-deck cable carousel and a second carousel on deck, with total cable-carrying capacity of 8,000 tonnes. The vessel will mainly be deployed on inter-array grid and export cables of offshore wind projects. The vessel is also able to install High Voltage Direct Current cables. Apart from the possibility to run on biofuel, this hybrid vessel has future fuel ready engines with built-in flexibility to anticipate e-fuels. It will have a large battery pack, a shore supply connection and a state-of-the-art energy management system. This sustainable set-up will result in a more energy-efficient vessel in order to reduce CO₂, NO_x and SO_x (carbon, nitrogen and sulphur oxides) emissions. This vessel will be operational in 2023.

Heavy-duty electric excavator

Last year, Van Oord added a unique zero-emission excavator to its earthmoving equipment. The 25-tonne electric hydraulic excavator CAT Z-Line is helping us to electrify our project sites and to reduce emissions during project execution.

First Green Loan

Van Oord has developed a Green Loan Framework as part of its financing strategy. The first loans under the agreement were signed by Rabobank, BNP Paribas and ING in 2020 and agreed on the back of the purchase of three new LNG hoppers.

I Our fleet

Van Oord operates an advanced and versatile fleet of dredging and offshore installation equipment. Our fleet consists of 65 vessels and a large amount of special-purpose and auxiliary equipment.

New additions

We continue to invest in the fleet of the future. The following vessels will be added to our fleet in the upcoming years:

- Three medium-sized LNG trailing suction hopper dredgers
- Two hybrid water injection dredgers
- One cable-laying vessel

Vessel recycling policy

Vessels that have become obsolete for technical, economic or commercial reasons are carefully dismantled. Van Oord's vessel recycling policy is aimed at developing and achieving sustainable vessel recycling solutions. Our goal is to safely recycle our vessels at the end of their useful life in an environmentally sound manner and in conformity with applicable laws, rules and regulations. We are committed to prioritising environmental conservation and protection when recycling our vessels.

Dismantling and recycling take place in accordance with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, and the European Ship Recycling Regulation. Recycling our vessels also offers an opportunity to reuse significant parts. Van Oord aims to use only those ship recycling facilities that are ISO 14001 and OHSAS 18001 certified, that have adequately trained management and staff, and that have implemented the required health and safety procedures. These procedures include inspecting all vessels for hazardous materials, including a radiation survey, before delivery to the recycling facility.

In 2020 we decommissioned the following equipment:

- Trailing suction hopper dredger Geopotes 15
- Cutter suction dredgers Calabar River and Aegir
- Water injection dredger Draga Tocantins

- Van Oord has ordered a next-generation custom-built green cable-laying vessel. It highlights our drive to invest in the energy transition.



Main equipment



65

Our main equipment consists of 65 vessels*:



Trailing suction
hopper dredgers

23



Self-propelled
cutter suction dredgers

2



Cutter suction
dredgers

6



Flexible fallpipe
vessels

3



Shallow water
pipelay barge

1



Sidestone
dumping vessel

1



Water injection
dredgers

12



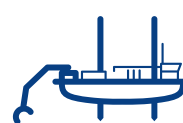
Cable-laying
vessels

2



Offshore installation
vessels

4



Backhoe and
grab dredgers

5



Split hopper
barges

6

Utilisation rate (in weeks per year)**



Trailing suction
hopper dredgers



2019: 22



Cutter suction
dredgers



2019: 21



Offshore installation
vessels



2019: 32



Flexible fallpipe
vessels



2019: 39

* including vessels under construction ** including cold stacked equipment

Governance

4

Organisation > 69

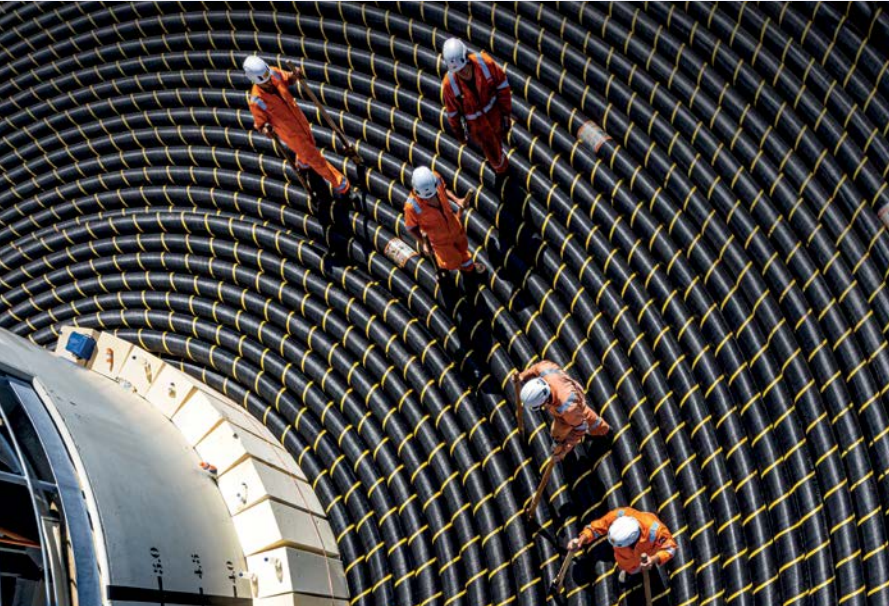
Safety > 74

Employee representation > 79

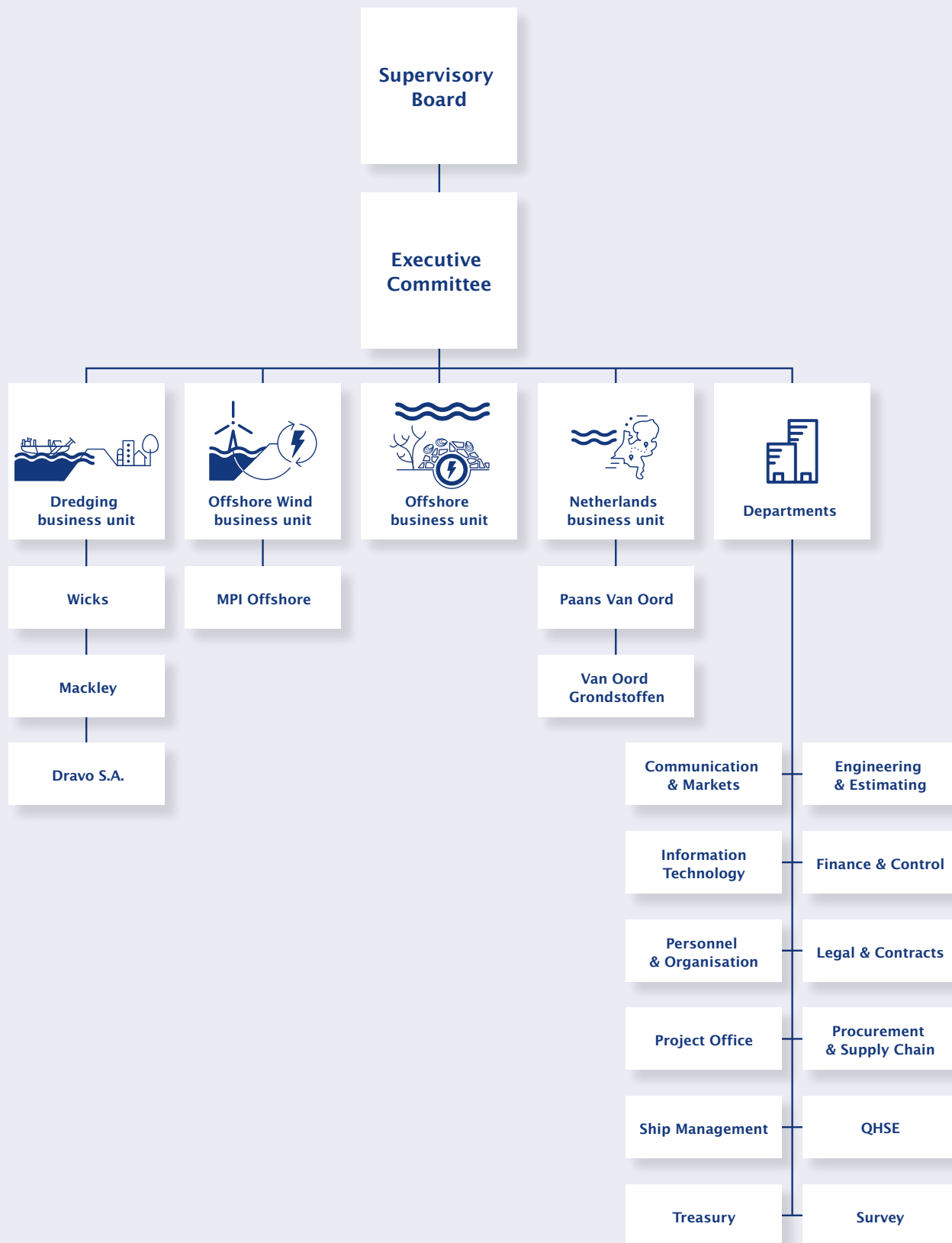
Corporate governance > 81

Risk management > 84

Compliance > 90



Organisation



Composition of the **Executive Committee**



Pieter van Oord (1961)

Chief Executive Officer since 2008 (Statutory Director)

Additional activities: Chair of the Association of Dutch Suppliers in the Oil and Gas Industry and Offshore Renewable Industry (IRO), Supervisory Board member of STC-Group, Board member of MerweOord B.V., Supervisory Board member of Nationaal Park De Hoge Veluwe, Board member of Club Rotterdam and Chair of the Supervisory Board of Stadion Feijenoord.



Jolanda Poots-Bijl (1969)

Chief Financial Officer since 2016 (Statutory Director)

Additional activities: Supervisory Board member of Pon Holdings, Supervisory Board member of AkzoNobel.



Ronald Schinagl (1962)

*Managing Director Netherlands since 2016
(as of 2020 member of the Executive Committee)*

Additional activities: Chairman of the Havenvereniging Rotterdam, Vice Chairman of the Vereniging van Waterbouwers, Supervisory Board member Ecoshape.



Arnoud Kuis (1964)

*Managing Director Offshore Wind since 2016
(as of 2020 member of the Executive Committee)*

Additional activities: Board member of the Netherlands Wind Energy Association (NWEA), Director Blauwwind Management B.V.



Govert van Oord (1970)

*Managing Director Dredging since 2020
(as of 2020 member of the Executive Committee)*

Additional activities: Supervisory Board member of Acta Marine Holding B.V., Board member of the European Dredging Association (EUDA), Chair of the Foundation providing Pastoral Care to Workers in the Dredging Industry (SPWO).



Maurits den Broeder (1973)

*Managing Director Offshore since 2018
(as of 2020 member of the Executive Committee)*

Additional activities: Advisory Board member Port XL.



Composition of the Supervisory Board



Niek Hoek (1956)

N.W. Hoek - Chair

Nationality: Dutch

Background: Member of Board of Management (from 1997) and CEO of Delta Lloyd (2001-2015), Founder of Brandaris Capital

Supervisory memberships: Arcadis (Chair), Anthony Veder Rederijzaken B.V., BE Semiconductor Industries N.V.



Hans van der Ven (1953)

J.M.M. van der Ven - Member

Nationality: Dutch

Background: Chairman of the Board of MerweOord B.V., CEO of Samas Group (until 2007), former Director at Hoogovens

Supervisory memberships: Ambrig B.V. (Chair), H.E. Investments B.V. (Chair), Vostermans B.V., Witteveen+Bos (Chair)



Paul Verheul (1961)

P.W. Verheul - Member

Nationality: Dutch

Background: Executive Director of MerweOord B.V., Chief Operations Officer of Van Oord (2011-2019)

Supervisory memberships: AutoBinck Group, Acta Marine (Chair), MARIN, Advisory Board DOB Ecology, Foundation Board Royal IHC



Jan Valkier (1962)

J.M. Valkier - Member

Nationality: Dutch

Background: Chief Executive Officer of Anthony Veder Group

Supervisory memberships: UK P&I Club (London) and UK P&I Club NV (Dutch holding)



Jean-Marie Laurent Josi (1964)

J.M.J.A.P. Laurent Josi - Member

Nationality: Belgian

Background: Chief Executive Officer of Cobepa N.V.

Supervisory memberships: International SOS, JF Hillebrand, Carmeuse and Bank Degroof



Rob Kretzers (1956)

J.H.R. Kretzers - Member

Nationality: Dutch

Background: Shell (1982-2016), Executive Consultant

Supervisory memberships: Van Leeuwen Buizen Groep B.V. (Chair)



Charlotte Insinger (1965)

C.M. Insinger - Member

Nationality: Dutch

Background: Robeco Group, Royal Dutch Shell, Cerberus Global Investors, several non-executive board memberships.

Supervisory memberships: Vastned Retail N.V., Staatbosbeheer, Hogeschool Rotterdam, RET N.V.

Supervisory Board schedule of resignations

	Year first appointed	End of current term
J.M.J.A.P. Laurent Josi	2012	2024
J.M.M. van der Ven	2012	2024
N.W. Hoek	2016	2024
J.H.R. Kretzers	2018	2022
J.M. Valkier	2020	2024
P.W. Verheul	2020	2024
C.M Insinger	2021	2025

New member

As of January 2021, a new member joined the Supervisory Board: Ms Insinger. See the Report of the Supervisory Board about changes in its composition.

| Safety



Our safety programme took on an added dimension with the arrival of COVID-19 in 2020. The risks posed by the pandemic required the same proactive safety approach that we use to reduce incidents and personal injuries. The behaviour-based safety principles of our Say YES to Safety programme helped to mitigate the risks associated with COVID-19. >

Crew working in a bubble on board.

It is vital for us to safeguard the health of our employees. It is also important that they take responsibility and stick to the rules. Not only on our projects and vessels but in general. The sense of urgency prompted by COVID-19 to adhere to the defined measures and thus ensure your and other people's safety has now filtered through to all our offices.

The measures we have taken throughout the company reflect the safety culture at Van Oord. Our Emergency Response Team convened at the first sign of a new virus that was a potentially serious threat to our people, subcontractors and projects. The Emergency Response Team continuously monitors the impact of the virus on our people, logistics and business operations and takes appropriate measures.

Ensuring the safety of employees

The consequences of the COVID-19 pandemic were already becoming clear as early as January 2020. Our employees working in the Far East were faced with strict local measures. Countries such as Singapore and Taiwan immediately announced a lockdown and focused on contact tracing and quarantining. Our first response was to send face masks and other protective equipment to support our employees. We also immediately imposed a travel ban to countries with an orange and red travel advisory.

We have developed a protocol to guarantee the continuity of our projects and vessels without any risk to the safety of our employees. Since March, before travelling to a vessel or project, employees first quarantine themselves at home. Then they meet in a hotel for a PCR test. If the result is negative, they are allowed on board. There, they self-isolate after working hours. If they show no symptoms, social interaction is allowed again on board after two weeks. This 'bubble' has proved to work.

We took stock of the safety risks associated with the coronavirus for each project. Where necessary, we took appropriate measures. A support team of planners accompanies employees worldwide who have to deal with travel restrictions, local or regional coronavirus measures, and mandatory coronavirus tests. Employees of local subcontractors receive the same guidance to ensure that safety is not compromised on our vessels or during our projects.

Preventing outbreaks with your own source and contact tracing

In many offices, it became the norm to work from home from March onwards, in accordance with the government's guidelines, based on the instructions as applicable in different local circumstances. When the Dutch government

› The new insights we have gained in fighting COVID-19 will be carried over to the future.

relaxed the measures from mid-May to mid-October, employees returned to the office for two to three days a week. We took the necessary steps to guarantee everyone's safety and make it possible to maintain a distance of one-and-a-half metres from each other in the offices. Meetings and events have been cancelled, and a maximum number of employees are allowed in the office every day.

To prevent outbreaks of the virus, we have instructed Arbo Unie, an occupational health and safety service, to carry out source and contact tracing in the offices and projects in the Netherlands every time an employee is tested. As a precaution, employees who have been in contact with a colleague who is being tested work from home until the test result is known. As we have a thorough monitoring protocol, we know that no one in our offices has become infected.

Communicating the COVID-19 policy is essential

Communicating our approach to safety and COVID-19 to all our employees worldwide is a key part of our strategy. Every fortnight, or sooner if required, the Executive Committee discussed the latest status of government measures, their impact on Van Oord and our policy. Furthermore, we used our Safety News Alert programme, launched in 2019, and explicitly communicated the rules of conduct that belong to our Say YES to Safety programme. An employee survey shows that we are on the right track with our communications and that we are providing the right support. For instance, the feedback suggested that we need to focus more on the mental aspects of working from home and the well-being of our crew and project staff, who have to deal with being away from home for longer periods. As a result, we are supporting employees via various forms of communication with practical tips & tricks on how to make it easier to work from home or how to stay fit.

Fewer accidents thanks to Safety YES Alert

The focus on safety and eliminating incidents and personal injuries continued unabated in 2020. The effects of the Safety YES Alert campaign launched in May 2019 were clearly

visible in 2020. The number of accidents with injuries decreased significantly. The Total Reportable Incident Rate (TRIR) related to personal injury was 0.48 in December 2020. At year-end 2019, the TRIR was still 0.65.

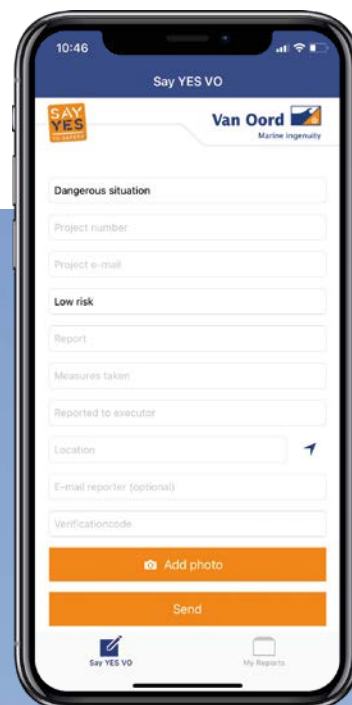
The safety app developed in 2019 was implemented in our company in 2020. The Van Oord Say YES app enables employees worldwide to immediately report a dangerous situation, check safety rules and share ideas or positive actions. In 2020, there were more than 1,100 safety observations reported via the app.

With its own in-house academy, Van Oord focuses strongly on safety training, linked to the Say YES to Safety and HSE risk management programmes. COVID-19 has forced us to put our physical safety training courses, kick-off meetings and incentives on hold and, instead, actively promote our online training courses. For example, we went ahead with the e-learning General Safety Introduction course which is mandatory for all employees.

- We encourage everyone to be proactive in creating a safe working environment and to pass on suggestions for improvement using the app. In 2020, 18 projects actively used the app, resulting in a total of 1,142 observations offering ideas for improvement. The app will be rolled out further on all projects in 2021.

Lessons learned

We continue to invest in safety and are constantly improving our safety performance. We have been able to respond quickly, flexibly and responsibly to new safety situations. The new insights we have gained in fighting COVID-19 will be carried over to the future. For example, we are going to give serious thought on how to ensure that work that can be done remotely is indeed done remotely. This will reduce travel time, which can have a positive impact on efficiency and on the environment. We have also discovered new means of communication to reach larger and globally spread groups. We will use these insights to intensify the connection by communicating more frequently.



**COVID-19**

The year 2020 in numbers

31 March 2020 – 31 December 2020

Total number of PCR tests

**5,801**

PCR tests

166positive tests
(approx. 3%)

PCR tests

		negative	positive
Marine equipment	5,171	5,115	56
Yards / Branch offices	14	0	14
Projects	49	17	32
Dravo S.A.	334	326	8
NL offices (Arbo Unie)	233	177	56
Total	5,801	5,635	166



Monitoring NL offices

**233**reported
tests**56**positive tests
(approx. 24%)**0**infections
at the office

The Dutch Arbo Unie has been actively monitoring possible infections in the workplace at our Dutch offices and projects since June 2020. The Arbo Unie's monitoring has not revealed any infections at the office so far.

Crew testing

**5,171**

PCR tests

56positive tests
(approx. 1%)

We have been working with the Erasmus Corporate Travel Clinic in Rotterdam to administer preventive PCR tests to our crews. This allows us to create a 'bubble' on board our vessels. Combined with self-quarantine and a 6-6 block rotations, our approach has proven to be successful.

Communication on COVID-19

**31**updates on
COVID-19
by the ExCom**12**videos, vlogs
and newsletters

Our Emergency Response Team (ERT) has met every week to discuss developments worldwide. The team took appropriate measures and prepared the communications issued regularly by the Executive Committee to all employees.

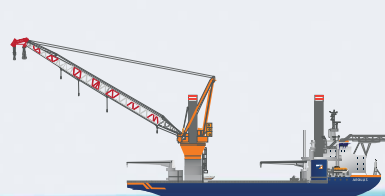
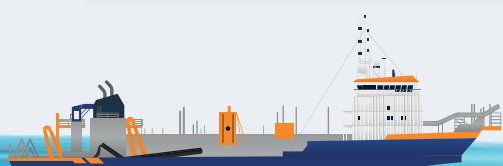
Survey on well-being

**3,153**completed
surveys

More than

2,000suggestions
and ideas

We conducted two Effortory surveys last year in April and November to monitor employee well-being. We asked all employees about their experiences and state of well-being and to share suggestions with regard to the COVID-19 situation. Senior management discussed the results and used them to tighten up our COVID-19 policy.



Management System Certificates

Van Oord has been certified in accordance with:

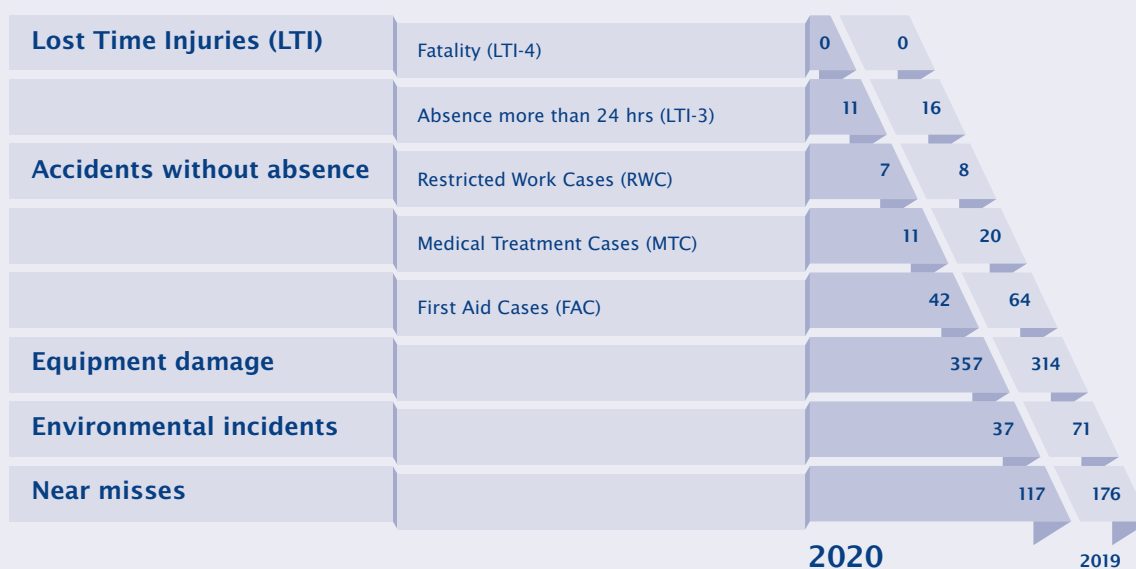
- ISO 9001:2015 (quality management), multisite certificate*;
- ISO 14001:2015 (environmental management), multisite certificate*;
- ISO 45001:2018 (occupational health and safety management), multisite certificate*;
- ISO 50001:2018 (energy management), multisite certificate*;
- Document of Compliance (DoC);
- Declaration of Maritime Labour Convention.

A number of legal entities also have their own certificates for certain standards:

- CO₂ performance ladder, level 5 – in the Netherlands;
- Safety Culture Ladder, level 4 – Van Oord Netherlands BV, Van Oord Offshore BV, Van Oord Offshore Wind BV;
- SCC certificate (Safety Checklist Contractors) – in the Netherlands;
- BRL7000 certificate for soil remediation – in the Netherlands

* For these standards Van Oord holds a multisite certificate, which means that all legal entities stated on the multisite certificate are covered by one corporate certification scheme.

HSE statistics



| Employee representation



In the Netherlands, a Works Council promotes and protects the interests of a company's employees. The rights of the Works Council include the right to prior consultation on major decisions and measures, and the right of consent on certain changes regarding terms of employment. By law, the members of the Works Council must be democratically elected and meet with the employer at least twice a year.



Working at the Fehmarn Belt project.

Diversity and representation

Van Oord's Works Council consists of 21 elected members (18 men and 3 women) who work jointly throughout the organisation. They are supported by an official secretary who ensures that formal processes run smoothly. The members come from different disciplines and business units within Van Oord.

Reorganisation

The most important issue that the Works Council discussed in 2020 was the reorganisation that was needed. In particular, the Dredging business unit suffered from tough market conditions. COVID-19 did not cause this problem, but it did accelerate the need to take measures. Although the Works Council obviously found the intervention an extremely distressing prospect, it understood that downsizing was inevitable and, moreover, the Works Council felt partly responsible for the continuity of the entire organisation. In June, the Works Council was formally informed of the scope of the intended reorganisation, and from that time onwards, it engaged in intensive talks with the CEO and Director Personnel & Organisation (P&O) to ensure that the measures were implemented in a balanced and responsible manner. In doing so, the Works Council made every effort to safeguard the interests of all those concerned. To this end, the Works Council was assisted by an external advisor, and external legal support was also brought in. A working group was formed within the Works Council to attend to the daily proceedings regarding this matter and to keep the other members of the council regularly informed of progress.

Ultimately, the entire Works Council was able to give a favourable recommendation on the proposed reorganisation and the corresponding social plan. The Works Council's main concern was for all those directly affected, but the intervention was inevitable and defensible. The downsizing has made the organisation better equipped for the future. Moreover, the resulting social plan is impressive. The consent of the three trade unions attests to that. The Works Council believes that the discussions were conducted with due care and that the organisation listened attentively to the council's recommendations and concerns.

COVID-19

The other big issue that defined 2020 was COVID-19. Our people, especially on board our vessels and on projects were hit hard. There were, amongst other measures, mandatory quarantines on the vessels or in hotel rooms with little freedom of movement. The Works Council received many questions from the organisation about this unique situation. Some of them concerned working from home, travel expenses and

allowances. In a short time, many new policies had to be developed and the Works Council advised on these.

When the impact of the virus became clear, Van Oord immediately decided to set up a weekly consultation between the Executive Committee, P&O and the Works Council, discussing the latest developments and possible measures.

The ability to quickly shift gears and deliberate was extremely productive, and the Works Council was able to highlight the interests and concerns of the staff in this extraordinary situation.

Thanks to the direct engagement with the employer and P&O, the exchange of information from and to the Works Council was efficient. As a result, policies could be modified immediately if necessary. The fact that it was no longer possible to meet in groups was also a problem for the Works Council itself. Nevertheless, it succeeded in fully carrying out its task and function under these circumstances and adapted quickly in terms of finding other ways to continue communications.

Busy programme

By holding extra meetings and discussions, we managed to deal with all current requests for advice and consent. For instance, the Works Council and management discussed changes in financing, adjustments to employment conditions, investments in new cranes on vessels, the acquisition of a stake in an innovative company and the appointment of a new Supervisory Board member. One important topic was the approval of the investment of the new green cable-laying vessel.

In early 2020, the Works Council received a request for consent to make a change to the fleet's work/leave schedule. It decided to first refer the matter back to the employer and trade unions in accordance with past agreements. Normally, the Works Council invites a member of the Supervisory Board to participate in its meetings twice a year. That did not happen last year. Our annual training for Works Council members also fell through in October. In September 2021, elections will be held again. A committee has already been appointed in preparation. The entire Works Council will then step down, after which it will be decided who will stand for re-election.

The COVID-19 crisis is not over yet. Therefore, for 2021, the Works Council expects that we will have to tackle difficult issues again combined with regular aspects such as investment requests for developments in the various disciplines. The Works Council will make every effort to provide constructive input. In recent years, we have professionalised our working methods and become increasingly proactive in our advisory role. The fact that management always provides us with complete information on all ongoing affairs – even on subjects on which we do not have to express an opinion – helps enormously.

| Corporate governance



On board cable-laying vessel Nexus.

Van Oord aspires to the standards of corporate governance and seeks to consistently enhance and improve corporate governance performance. >

The company's management and supervision are organised under Dutch law in a so-called two-tier system, comprising an Executive Committee (solely composed of executive directors) and a Supervisory Board (solely composed of non-executive directors).

Executive Committee

Given the structure of the company into business units, it was decided in 2019 to modify the senior executive structure by directly involving the business units in the executive governance. An Executive Committee has been established effective as per 1 January 2020. The Executive Committee consists of 6 members: two statutory directors (Chief Executive Officer and Chief Financial Officer) and four Managing Directors of the four business units.

The Executive Committee is responsible for the company's corporate governance structure and for managing the company as a whole. This means that it is responsible for developing the company's strategy, its targets, combined with the relevant risk profile, for its financial results, its operations, and for the social and other relevant aspects. In assuming its responsibilities, the Executive Committee focuses on the interests of the company and its associated operations and considers the interests of the company's stakeholders. The Executive Committee is accountable to the Supervisory Board and the General Meeting of Shareholders.

The Executive Committee is responsible for defining and executing strategy, complying with all relevant legislation, for managing the risks associated with operational activities, and for the company's finances. The Executive Committee reports on these matters and discusses internal risk management and monitoring systems with the Supervisory Board. Its members meet in principle at least once every month.

The company has voluntarily applied a mitigated large companies regime. Contrary to the large companies regime, it is the General Meeting of Shareholders, and not the Supervisory Board, that appoints the statutory directors of Van Oord N.V. In the event of a vacancy, the Supervisory Board proposes a candidate for appointment by the General Meeting of Shareholders. Executive Committee members, not being statutory directors, are appointed by the statutory directors of Van Oord N.V., upon approval by the Supervisory Board.

The Supervisory Board determines the remuneration and terms of employment of the individual statutory directors of Van Oord N.V. The statutory directors determine the remuneration and other terms and conditions of employment of the other Executive Committee members, after consultation with the Supervisory Board.



Supervisory Board

The Supervisory Board supervises the management of the Executive Committee and the general course of events in the company and its associated operations. It also advises the Executive Committee. In assuming its duties, the Supervisory Board focuses on strategic, operational and other interests while considering the interests of the company's stakeholders where relevant and appropriate.

Each of the members is qualified to express an opinion on the main outlines of overall policy, and each one also has the specialist expertise to fulfil the tasks appropriate to his or her role within the Supervisory Board's profile. The Supervisory Board's composition allows it to fulfil its tasks properly. The Supervisory Board strives to achieve diversity in its composition, for example with respect to gender and age. A member is only reappointed after careful consideration. The profile referred to above is taken into account even in the case of a reappointment.

The Chair of the Supervisory Board ensures that the board and its committees perform satisfactorily. He serves as the board's main point of contact for the Executive Committee and for shareholders regarding the performance of both the Executive Committee and the Supervisory Board Members. As Chair, he ensures that the General Meeting of Shareholders proceeds in an orderly and efficient manner.

The Supervisory Board has at least five members and meets at least six times a year. The Supervisory Board has a separate Audit Committee, Human Resources Committee and Tender Committee.

The General Meeting of Shareholders determines the remuneration of the Supervisory Board. A member's remuneration is not based on the company's financial results.

Conflicts of interest

If a conflict of interest arises involving a member of the Executive Committee and/or Supervisory Board, the procedure described in Book 2 of the Dutch Civil Code applies.

Limitation schemes

When candidates are nominated for appointment or reappointment to the Executive Committee or as a supervisory director, the number of board positions that they currently fill is a point of consideration (to avoid 'overboarding'). The relevant rules are adhered to in this regard.

Diversity in Executive Committee and Supervisory Board

The Executive Committee and the Supervisory Board endorse a balanced distribution of seats within the corporate bodies of the company. Diversity in the corporate bodies remains an important goal for the Executive Committee and the Supervisory Board.

General Meeting of Shareholders

The shareholders are involved in the company and participate fully in decision-making at the General Meeting of Shareholders. The General Meeting of Shareholders influences the Executive Committee and Supervisory Board's policy and plays a vital role in the company's system of checks and balances. Executive Committee decisions concerning a major change in the identity or nature of the company or its operations, and other important decisions (for example capital expenditure exceeding EUR 100 million), are subject to the approval of the shareholders.

Management teams

The company is structured into business units. The Dredging, Offshore Wind, Offshore and Netherlands business units are governed by management teams and supported by shared departments. The management teams are responsible for managing the business units on a strategic and operational level in line with approved strategies and budgets.

Management Committee

The Management Committee consists of the members of the Executive Committee, the management teams of the business units and all department directors. It meets at least five times per year; meetings are chaired by the Chief Executive Officer. The primary purpose of these meetings is to allow the Executive Committee, management teams and departments to exchange views and information and to act as a sparring partner for the Executive Committee on all relevant strategic topics.

External auditor

The General Meeting of Shareholders is required to order the annual accounts to be audited each year. The appointment of the external auditor is listed as a separate item on the agenda for the annual meeting.

Works Council

The company's Works Council has 21 members and meets 6 times a year with the Chief Executive Officer and Director Personnel & Organisation (P&O).

Corporate Governance Code

Companies listed on the Dutch stock exchange are required to report on their compliance with the 2016 Corporate Governance Code. The principles set out in the code also provide standards of good internal governance for organisations other than listed companies. Although Van Oord is not listed, the company has indicated that, where relevant, it endorses these principles as much as possible.

| Risk management



The crew welds the sections together and the Stingray installs them on the seabed.

Van Oord is operating in a volatile, uncertain, complex and ambiguous world. In these fast-evolving times with many moving parts the key was and still is to take an agile approach to (business continuity and) risk management. This means increasing collaboration across risk functions and increasing the speed and accuracy of data collection and analysis to provide risk (portfolio) insights to the business to support informed decisions. >

The COVID-19 pandemic has presented Van Oord with a significant challenge. It impacted our operations, supply chain and employee well-being and led to the rapid development of interventions and risk management plans. It demonstrated that Van Oord is resilient and can make decisions rapidly under conditions of extreme uncertainty.

We have multiple stakeholders with diverse, changeable, and sometimes competing interests. Stakeholders entrust organisational oversight to a governing body, which in turn delegates resources and authority to management to take appropriate actions, including managing risk. For these reasons and more, we need effective structures and processes to enable the achievement of our objectives, while supporting strong governance and risk management.

Risk appetite

Van Oord specifically tries to strike a balance between acceptable risk on the one hand and entrepreneurship and long-term value creation on the other. Every year, the Executive Committee establishes its risk appetite with regards to our strategy and key risk themes.

In terms of the amount of risk that we are willing to accept, we differentiate between risk-averse (low risk appetite), risk-neutral (moderate risk appetite) and risk-tolerant (high risk appetite).

Van Oord's overall risk appetite by risk category:

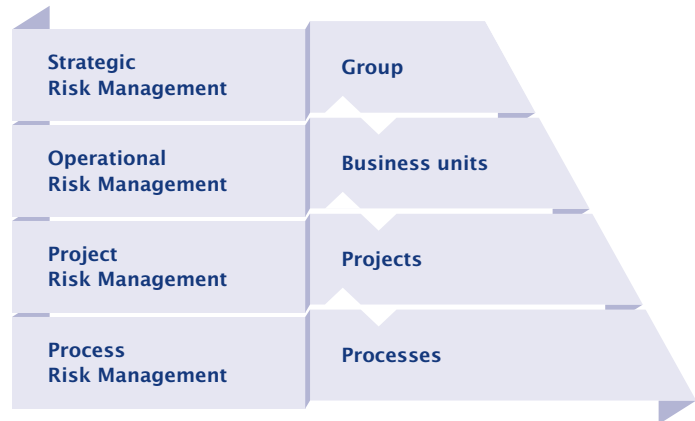
Category	Risk Appetite
Strategic Risks	High
Operational & Project Risks	Moderate
Reporting & Financial Risks	Low
Legal & Compliance Risks	Low

Enterprise Risk Management

Effectively managing risk (both opportunities and threats) is of vital importance for Van Oord. Van Oord has an integrated approach towards Enterprise Risk Management:

- To ensure a comprehensive (portfolio) view of risk across the organisation
- To effectively align risk with Van Oord's strategy
- To enhance risk dialogue on both threats & opportunities
- To monitor risks in an efficient way
- To ensure our internal controls operate effectively
- To further strengthen our Three Lines Model

Integrated approach towards Enterprise Risk Management

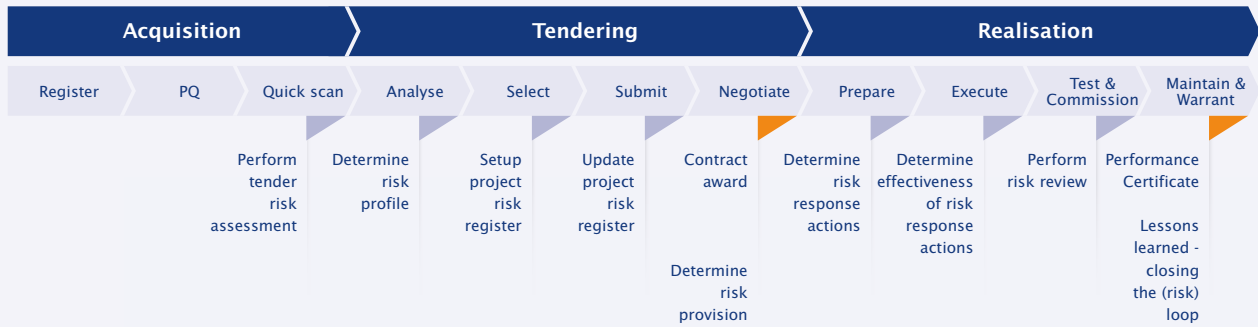


Our ERM Framework



Risk assessments and mitigation plans are carried out at various levels in the organisation. We take a standard but flexible, five-step approach to risk management. This approach is based on the COSO-ERM Framework.

Stage gate approach to project risk management



Key risk themes

↑	Market Developments	=	Reputation	=	Health & Safety
	STRATEGIC Dealing with a VUCA world and exceeding client expectations		STRATEGIC Building on integrity and delivering Marine ingenuity at the highest level		OPERATIONAL & PROJECT Demonstrating proactive safety behaviour
↑	Sustainability	=	Culture & Governance	=	Equipment Capacity
	STRATEGIC Enhancing the energy transition, empowering nature and communities, and accelerating climate initiatives		STRATEGIC Harnessing the founder's mentality and empowering entrepreneurship		OPERATIONAL & PROJECT Lowering total cost of ownership and optimising our fleet and fleet planning
↑	Commercial Excellence	=	Human Resources	↑	Operational Excellence
	STRATEGIC Improving customer intimacy and commercial sharpness		OPERATIONAL & PROJECT Ensuring the right people in the right place at the right time		OPERATIONAL & PROJECT Implementing lean management and One Way of Working and optimising cash-flow management
↑	Strategic Partnering	↑	Information Technology	=	Finance & Taxation
	STRATEGIC Working together and improving relations to grow and succeed		OPERATIONAL & PROJECT Enhancing information security and focusing on digital leadership and innovation		REPORTING & FINANCIAL Creating transparency, insight and value
=	Innovation	↑	Project Risks	=	Legal & Compliance
	STRATEGIC Modernising our fleet and focusing on digital transformation		OPERATIONAL & PROJECT Maximising project performance and minimising project risks		LEGAL & COMPLIANCE Complying with laws, regulations and codes of conduct
↑	Increased risk	=	Risk remained unchanged	↓	Decreased risk

Stage gate approach to project risk management

Risk management is an integral part of Van Oord's project management approach. We are systematically managing risks in the tender, preparation and execution phase of a project. In 2020, we implemented project risk categorisation (A-B-C) involving both mandatory (risk) process steps in projects and (risk) reporting obligations. The figure 'Stage gate approach to project risk management' shows how we intertwine risk management with the various project stage gates.

Strategic and Operational Risk Management

In 2020, we further embedded risk management and reporting in the regular Planning & Control cycle (i.e. risk reporting part of our quarterly internal reports and our Annual Plan cycle).

The Risk Management team challenged business unit management during their risk assessment process. The outcome of these sessions was the basis for the 2021 Annual Plans, in which risks are linked to our strategic objectives.

Risk challenge / dialogue sessions are held on a regular basis to challenge employees, increase awareness, improve our risk maturity level, gain a better understanding of our risk appetite, develop a 'portfolio mindset' and enhance risk-conscious decision making.

In 2020, we developed an online risk management training activity consisting of four modules. This training helps to increase risk awareness and organisational knowledge on the Van Oord Way of Working regarding risk management. The training is open to all Van Oord employees.

Project Risk Management

To effectively manage complex projects, Van Oord uses a rigorous risk management process. An effective risk management process enables the project team to monitor risks and identify when they need to put a mitigation plan in place to actively manage them. Key to this process is the ability to recognise and respond to early warning signs in order to move from a position of uncertainty to one of confidence and control.

- Backhoe dredger Simson constructing the new working harbour at the Fehmarn Belt project near the Danish town of Rødbyhavn



During 2020, a project portfolio risk overview for category A and B projects (i.e. complex projects with a (very) high / moderate risk profile) was designed and implemented providing insight into our project portfolio, project results, risk exposure and related risk provisions and contributing to a constructive (project) risk dialogue between business unit management and project management.

Notable and emerging (project) risks in 2020 are related to:

- COVID-19 pandemic

As the COVID-19 pandemic continued to spread during 2020, Van Oord first took the necessary precautions to keep employees and society safe and well. As an international company working around the globe, we took our responsibility to act in accordance with both national and international regulations and guidelines while executing our projects. Van Oord decided to have all (project) office employees in the Netherlands work from home for the remainder of 2020. In terms of operations, the pandemic led to various challenges, such as crew changes and vessel deployment. For projects with a considerable amount of subcontracted scope, we have performed criticality assessments and executed continuity measures.

- Economic uncertainty and financial pressure

Van Oord faces a range of risks, particularly because we conduct various types of activities around the world with often significant environmental impacts. Van Oord is exposed to worldwide economic, legal, tax, environmental and political risks. Our markets are impacted by various factors including, for example, general or regional geopolitical developments, such as political unrest and government-imposed trade barriers.

- Sustainability / environmental circumstances

Many countries with coastal areas are dealing with the effects of climate change. At Van Oord, we see it as our duty to make our expertise and solutions in the field of adaptation accessible. During the international Climate Adaptation Summit (CAS) 2021, Van Oord introduced the Climate Risk Overview, a global tool that helps identify the world's most vulnerable communities and coastlines at risk of flooding. This tool is the first step in a broader plan to bring climate adaptation solutions to the coastal areas which need it the most. In the Netherlands, uncertainties regarding calculations of nitrogen deposition values have impacted recent Dutch construction projects and might delay plan approval decisions ('Tracebesluit'). In one of our projects, we reached a new agreement with our client and our project planning has been adjusted accordingly.

- Cyber security

Corporate and personal data are more valuable than ever, and figures show that large companies are far more likely to be victims of cyber attacks, than their smaller counterparts. In a 24-hour company like ours, cyber attacks can undermine our business' continuity. The latest hardware and software, in-depth knowledge and awareness among IT specialists and all other employees form the basis for an appropriate security policy and management of IT cyber security risks.

- Reputation

Reputation risk is not new, but it has been prominent in 2020 when Van Oord was publicly accused of being involved in human rights violations and possible corruption in Angola. Given the publicity about the Angola project, we instantly gave clarification on the project and the points raised in the media. We confirmed that in relation to the Angola case we acted in compliance with the standards in force at that time, in line with agreements made with the governments of the Netherlands and Angola on the basis of information available. Furthermore, we will enhance the environmental and social due diligence (ESDD) on our tenders. The purpose of the ESDD is to review any potential environmental and social risks associated with the tender/project to ensure that the project does not carry environmental and social risks, which could present a potential liability/risk to both our company and stakeholders.

- Complex interfaces

Many of our projects involve complex interfaces. One example in 2020 was the installation of an export cable, which involved the temporary closing of the entrance channel to the Port of Rotterdam (Maasmond). The interface with the Harbour Authorities was carefully managed and the cable was installed by means of simultaneous lay and burial to mitigate the impact on harbour logistics.

Process Risk Management

In 2020, we implemented an online Internal Control Framework (including Tax Control Framework) as part of our integrated approach towards risk management to enhance the reliability of our (non)financial reporting, safeguard the organisation's assets, prevent and detect fraud and other unlawful acts, and ensure we comply with relevant laws and regulations, our codes of conduct and organisational policies and procedures. During the year, we successfully performed several internal control reviews and internal control self-assessments.

Three Lines Model



Furthermore, we continued to standardise and automate our finance processes (implement One Way of Working) and the Planning & Control cycle. We designed a blueprint for a Van Oord global network of high-performing Financial Shared Service Centres (FSSC). One of the objectives of this blueprint is to standardise and optimise accounting processes, which contributes to transparency and makes the controls more effective and operations more efficient.

Looking forward

In 2021, we will embed and further enhance our Three Lines Model to increase transparency, ensure role clarity and provide effective risk oversight / portfolio view. We will establish a Risk Committee (2nd Line) that oversees our integrated risk management process and ensures alignment with the business and organisational objectives. Furthermore, we will establish an Internal Audit function (3rd Line) that fits the nature, size, complexity and management philosophy of our organisation. The Internal Audit function will assist management in monitoring the design and proper functioning of internal control policies and procedures to help to improve the overall control environment and play a valuable role conducting operational audits, as well as special investigations and studies.

Most of our current projects can be defined as complex, due to (amongst others) their variables and interfaces, uncertainties, dynamics and interdependencies. In this perspective we have our Complex Projects model, including

stage gate processes and Tender Committee, in place. In 2021 we will align the 1st, 2nd and 3rd line roles and responsibilities with the existing project stage gates.

During the tender phase, we will emphasise focus on the risk dialogue with the client to further improve risk assessment and proactively discuss risk response actions, avoiding schedule overruns and cost blowouts.

Our project risk portfolio overviews will be further embedded into our Planning & Control cycle and will support and enhance risk conscious decision-making.

We will continue to standardise, automate and robotise our finance processes, improving efficiency, transparency and control.

| Compliance



Crane vessel Werkendam working in Zeeland on the Western Scheldt estuary foreshore reinforcement project.

As a company with worldwide operations, Van Oord must comply with Dutch laws and regulations as well as a variety of local and international laws and regulations. Legislation and regulations change constantly, so it is imperative for us to maintain a dynamic compliance system. ➤

Code of Conduct

Van Oord's Code of Conduct sets out the core values, responsibilities and rules of behaviour to which every employee is required to adhere. The values that we share, and the way we behave, allow us to stand out in the market and to show that we conduct business in a responsible and sustainable manner. The Code includes detailed guidelines for, amongst others, health, safety, security & environment, personal & business integrity, import & export compliance, sanctions, anti-bribery & corruption, financial compliance, competition law compliance, conflicts of interest, sustainability, IT security and data protection. Our suppliers are also required to commit to our Supplier Code of Conduct. In conjunction with the Code of Conduct, there are dedicated policies relating to different areas of compliance.

Van Oord has a Compliance Director to monitor governance and management of compliance risks with a dedicated team overseeing and further developing the compliance programme. The team consists of five people including a recently appointed compliance specialist for environmental, social and governance matters. The compliance officer regularly liaises with external experts. The Compliance Director reports to the Executive Committee and to the Supervisory Board.

Where appropriate, Van Oord interacts and cooperates with authorities including contact as a result of articles in the media. Issues raised will be taken into account to further enhance our already robust compliance approach.

Compliance Enhancement Programme

Our Compliance Enhancement Programme (CEP) is based on our Code of Conduct and aims to continuously enhance our compliance measures in line with external guidelines and changing legislation to ensure the company maintains a consistent approach. The CEP does this by continuously communicating our compliance policies, training people and monitoring adherence. In 2020, the process of developing and expanding the CEP continued to ensure that it remains part of our day-to-day business.

Agents and agent policy

Van Oord operates around the world, including in a number of countries with an increased risk of fraud and corruption. The company uses local expertise from intermediaries and/or agents in many countries to secure and execute projects. Some countries make it mandatory for us to employ an agent to provide local support. Intermediaries and/or agents perform a range of services for which they receive

a percentage of the contract value and/or a success fee. Van Oord has a contractual right to audit the disbursement of these funds.

The use of agents contributes to the success of the company but also poses an inherent heightened compliance risk. Van Oord has an agent policy in place with appropriate policies, procedures and controls to prevent and minimise compliance risks.

Before entering into new agreements with agents, the compliance function confirms that all criteria are met in accordance with the compliance standards. In recent years, the agent agreements were renegotiated to include a strict set of compliance guidelines and terms, specifically geared towards compliance risk management. This includes identifying and screening the agent, its representatives and beneficial owners, documenting the rationale of the business relationship, standard agent self-certifications, audit rights and in general more emphasis on compliance in line with UN and OECD Guidelines. Every year the due diligence is repeated, or in any case upon contract renewal.

As a result of the Compliance Enhancement Programme and related agent policy, Van Oord requires additional documentation and reporting (such as activity reports). Absolute and relative maximum remuneration limits are set and adhered to and the services provided are agreed contractually as a further compliance safeguard. A methodology was developed with external experts to initiate the execution of our right to audit on our agents. During 2020, we carried out a successful pilot audit procedure on an agent. A number of agents will be audited by an accredited independent auditor from 2021 onwards as the COVID-19-related restrictions permit.

No business will be conducted with intermediaries and/or agents without these guidelines and terms having been contractually agreed. Agents who breach our compliance obligations face termination of their contract.

Reporting of Concerns Policy

Van Oord is committed to maintaining a good working environment and an open culture where concerns about conduct can be discussed and addressed. Van Oord has a Reporting of Concerns Policy. In this Reporting of Concerns Policy, we introduced an independent external contact point to safeguard the absolute anonymity of reporters and to create a reporting route outside of the Van Oord organisation.

At any time, employees can report concerns to their immediate manager, the Trusted Independent Persons, the External Independent Person and the Compliance Director, who are designated to fulfil this role within the company. Van Oord guarantees that anyone reporting concerns properly, and in good faith, will be protected against negative consequences.

There were eight reports in 2020. Seven reports were completed and one report is in progress. The topics of the reports were:

- Violations of COVID-19 measures;
- Bullying management style;
- Inappropriate personal relations;
- Conflict of interest;
- Unsafe navigation;
- Inappropriate supplier relations.

All reports were dealt with appropriately. No reports were sufficiently factual to serve as the basis for suspicion of actual breaches of applicable (local and international) legislation and regulations. One report is still in progress.

Competition Policy

Competition law aims to ensure fair and active competition between enterprises and Van Oord fully endorses this objective. Van Oord and its companies operate in Europe and must therefore comply with EU rules as a corporate group. Since Van Oord is also active outside the EU, we supplement our Competition Policy on a country-by-country basis.

Sanction and Export Policy

Van Oord is committed to comply with all applicable trade control laws and regulations of the jurisdictions in which we operate. As a result, all shipments must be reviewed for compliance before they are shipped or released. To achieve this, Van Oord provides dedicated resources to manage export control awareness and compliance where applicable throughout our business worldwide. We keep our Sanctions and Export Policy under continuous review depending on developments.

Supplier Code of Conduct

Our Code of Conduct identifies the values, responsibilities and rules of behaviour for all our employees, subsidiaries and joint ventures. Because we expect our suppliers to adhere to a similar set of principles, we have established a Supplier Code of Conduct which describes the standards we require of our suppliers and their supply chains. These standards should be seen as 'best practice'. Depending on

the size and nature of their business, we also expect our suppliers to have management systems in place that support compliance with applicable laws and regulations and our Code of Conduct.

Anti-Bribery and Anti-Corruption Policy

Van Oord is committed to conducting business honestly, without using corrupt practices or bribery to gain an advantage. In so doing, Van Oord aims to ensure adherence to applicable anti-bribery and anti-corruption standards. Our Anti-Bribery and Anti-Corruption Policy defines what constitutes bribery and corruption and which rules apply. The policy applies to all Van Oord employees, as well as its representatives and business partners.

Van Oord's Anti-Fraud policy was established to support the development of controls that will aid in the detection and prevention of fraud, whether committed against or within Van Oord. The policy is intended to promote consistent organisational behaviour by issuing guidelines, organising dilemma meetings and allocating responsibility for the development of controls and the conduct of investigations. The policy applies to any irregularity, or suspected irregularity, involving employees, consultants, vendors, contractors and/or any other parties that have a business relationship with Van Oord.

Dilemma meetings

In the highly demanding and complex climate in which we operate, our staff can face dilemmas where there is no clear right answer. In ordinary circumstances, Van Oord maintains an established programme of dilemma meetings in appropriate parts of the world, including the Netherlands and other home markets. Dilemma meetings are standard practice in Van Oord's Compliance Enhancement Programme. Participants include senior local management, members of the Executive Committee, the Compliance Director and an external professional. These sessions involve the discussion of various dilemmas related to our policies and real-life situations. The goal of these meetings is to raise awareness about compliance issues and inform participants of our procedures and how they can get help and guidance if they encounter these situations. Unfortunately, in 2020 Van Oord was unable to continue this programme of dilemma meetings due to COVID-19. When travelling is allowed again, these dilemma meetings will be resumed.

Compliance risks

Events of non-compliance may result in regulatory investigations and penalties, litigation and/or sanctions. Although extensive efforts are made to act in compliance with all applicable (local and international) legislation and regulations, notwithstanding all risk-mitigating measures, a complete elimination of compliance risk cannot be guaranteed. Any violation of any relevant legislation, including anti-bribery and corruption legislation, or anti-money laundering legislation, could be material on our operational performance and cash flow in an individual accounting period.

Marginal da Corimba Project in Luanda, Angola

In 2016, Van Oord, as part of a consortium with the Angolan company Urbinveste, was awarded a contract by the Angolan government for the Marginal da Corimba project off the coast of Luanda in Angola. In 2020, the project was associated in the media with human rights violations (forced evictions without proper compensation). An Environmental and Social Impact Assessment (ESIA) was conducted by an external specialist on the project area and the project. The ESIA did not contain historical or other information about forced evictions. Further investigation revealed that the evictions took place in June 2013, which was before Van Oord started its activities relating to the Marginal da Corimba Project and were related to a project with which Van Oord was not involved. Van Oord takes the allegations with regard to the Marginal da Corimba Project extremely seriously. Van Oord is fully committed to international law and regulations, including the OECD Guidelines. Van Oord condemns the practice of forced evictions without proper compensation. The project was reviewed and assessed extensively. Van Oord uses the lessons learned from this review and assessment to further strengthen its Compliance Enhancement Programme.

Compliance Enhancement Next Steps

In 2021 and thereafter, the Van Oord compliance team will continue to implement and develop the CEP including the following activities:

- Implementation of the ISO 19600 and 37001 norms for Compliance and Anti-Bribery and Anti-Corruption.
- Continuation of dilemma meetings on location if possible, with emphasis on our responsibility for, and our relation with, business partners and on Corporate Social Responsibility.
- Introduction of policies that aim to encourage the prevention and mitigation of adverse environmental and social risks associated with relevant projects.
- Implement the lessons learned from the Marginal da Corimba project in Angola, such as but not limited to, the strengthening of our social and environmental due diligence within our tender process.
- Van Oord is committed to use its expertise to create a better world for future generations by delivering Marine ingenuity. This better world is not limited to the developed countries. Van Oord also aims to create an improved environment in those parts of the world that are in the process of developing themselves.

Working in less developed countries requires a robust compliance approach. The issues that a company may face can be difficult and delicate. Van Oord is well aware of this and aims to have robust, appropriate and adequate compliance tools enabling it to work in a compliant manner.

Financial statements 5



Consolidated balance sheet (before appropriation of profit)

(x EUR 1,000)

The numbers next to the items refer to the corresponding numbers in the notes.

		31 December 2020	31 December 2019
Fixed assets			
Intangible fixed assets	1.	27,575	35,696
Tangible fixed assets	2.	1,677,451	1,720,103
Financial fixed assets	3.	80,698	52,468
		<u>1,785,724</u>	<u>1,808,267</u>
Current assets			
Stock		37,585	34,428
Receivables	4.	366,439	463,129
Cash at bank and in hand	5.	268,424	108,172
		<u>672,448</u>	<u>605,729</u>
Total assets		2,458,172	2,413,996
Shareholders' equity			
Shareholders' equity	6.	1,014,934	1,007,916
Provisions	7.	303,294	278,639
Long-term liabilities	8.	244,443	414,742
Current liabilities			
Work in progress	9.	192,673	114,981
Other liabilities	10.	702,828	597,718
		<u>895,501</u>	<u>712,699</u>
Total shareholders' equity and liabilities		2,458,172	2,413,996

Consolidated profit and loss account

(x EUR 1,000)

The numbers next to the items refer to the corresponding numbers in the notes.

		2020	2019
Net revenue	11.	1,677,369	1,643,767
Costs	12.	-1,309,705	-1,226,496
Depreciation of tangible fixed assets	2.	-157,741	-153,810
Amortisation intangible fixed assets	1.	-9,171	-11,560
Total cost of work		-1,476,617	-1,391,866
Gross profit		200,752	251,901
General and administrative expenses	13.	-140,364	-163,698
Operating profit		60,388	88,203
Net interest expense	14.	-9,371	-24,799
Profit before taxation		51,017	63,404
Income taxes	15.	-16,344	-17,624
Share in result of participating interests	3.	-1,631	101
Net profit		33,042	45,881

Consolidated cash-flow statement

(x EUR 1,000)

	2020	2019
Cash at bank and in hand at 1 January	108,172	286,716
Cash flow from operating activities	476,078	30,178
Cash flow from/(used in) investing activities	-119,832	-221,539
Cash flow from/(used in) financing activities	-191,069	10,164
Net cash flow	165,177	-181,197
Exchange and translation gains and losses	-4,925	2,653
Increase/(decrease) cash at bank and in hand	160,252	-178,544
Cash at bank and in hand at 31 December	268,424	108,172
Operating profit	60,388	88,203
Adjusted for:		
Depreciation of tangible fixed assets	157,741	153,810
Amortisation intangible fixed assets	9,171	11,560
Changes in working capital		
- Decrease/(increase) stock	-3,157	5,243
- Decrease/(increase) receivables	96,690	-85,446
- Increase/(decrease) work in progress	77,692	33,047
- Increase/(decrease) other liabilities	76,248	-102,186
	247,473	-149,342
Changes in provisions	24,655	-6,513
Cash flow from business operations	499,428	97,718
Interest paid	-6,426	-61,005
Income tax paid	-16,924	-6,535
Cash flow from operating activities	476,078	30,178
Additions to intangible fixed assets	-1,050	-
Additions to tangible fixed assets	-102,933	-192,865
Divestments of tangible fixed assets	14,012	1,068
Investments in financial fixed assets	-29,861	-29,742
Cash flow from/(used in) investing activities	-119,832	-221,539
Dividend paid	-21,099	-39,585
Repayment of loans	-170,000	-358,490
Proceeds from loans	30	408,239
Cash flow from/(used in) financing activities	-191,069	10,164

Notes to the consolidated financial statements

Accounting policies

General

Van Oord N.V. (Chamber of Commerce number 24355843) has its registered office in Rotterdam, Schaardijk 211, 3063 NH, the Netherlands, and is the holding company owning the shares of the Van Oord group companies. The financial statements have been prepared in accordance with generally accepted accounting principles in the Netherlands (Dutch GAAP) and comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

Reporting period

The financial statements cover the financial year ending on 31 December 2020.

Reporting currency and functional currency

The financial statements are presented in euro (EUR), which is the company's functional currency. All financial information is presented in EUR (rounded to the nearest thousand), unless otherwise stated.

Basis of consolidation

The consolidated financial statements include the financial information of Van Oord N.V. and its wholly-owned group companies using the full consolidation method. Participating interests and contracting consortiums are consolidated proportionally, provided that the company exercises at least the same influence on policy as each of the other participants. Joint and several liability for the commitments of contracting consortiums is taken into account if necessary. The abbreviated company profit and loss account is prepared in accordance with Section 402 of Part 9 of Book 2 of the Dutch Civil Code.

Acquisitions

Acquisitions are recognised using the purchase accounting method, whereby the acquired party's identifiable assets and liabilities as at the date of acquisition are recognised in the consolidated balance sheet at fair value based on the policies of Van Oord. The difference between the acquisition price and the fair value of all of the acquired party's identifiable assets and liabilities is recognised by Van Oord as goodwill in the balance sheet.

Overview of most important group companies

Group companies 100%

Van Oord Dredging and Marine Contractors B.V.
Van Oord Nederland B.V.
Van Oord Offshore Wind B.V.
Van Oord Offshore B.V.
Van Oord Equipment B.V.
Van Oord Finance B.V.

A list of participating interests and contracting consortiums included in the consolidation has been filed at the offices of the Chamber of Commerce in Woerden (the Netherlands) in accordance with section 379 and section 414 of Part 9 of Book 2 of the Dutch Civil Code. The list also indicates for which companies Van Oord N.V. has have filed declarations of joint and several liability with the Chamber of Commerce and includes contracting consortiums in the Netherlands (VOFs) for which the company is jointly and severally liable for the non-consolidated part of the liabilities. A limited number of companies on the list in which Van Oord does not hold a majority of the shares, are consolidated as by means of deeds, agreements and arrangements control is obtained.

Foreign currency translation

Balance sheet items of foreign group companies denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Income and expenses in foreign currencies, to the extent that these are hedged by forward exchange transactions, are translated at the forward exchange rates. All other items are translated at average exchange rates or at the exchange rates ruling at the balance sheet date. Other exchange gains or losses are taken to the profit and loss account directly. Translation differences arising on the translation of foreign participating interests are taken to reserves.

Accounting policies

Estimates and assumptions

The preparation of financial statements requires management to make judgements, assumptions and estimates which affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates. Estimates and related assumptions are continually reviewed and the economic implications of COVID-19 are considered. We believe that the critical accounting estimates and assumptions are appropriate in light of the uncertainties surrounding the severity and duration of the impacts of COVID-19. Van Oord continues to monitor these impacts and incorporates them into accounting estimates and related assumptions. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods if affected by the revision.

The most critical accounting policies in presenting the financial position and which require estimates and assumptions are those applying to the valuation of:

- Tangible fixed assets
- Receivables
- Work in progress
- Provisions

At each reporting date the company assesses whether there is objective evidence that an asset or group of assets is impaired. In case of such evidence, the value in use is calculated with the discounted future cash flow which are derived from cash-flow projections included in, management approved, projections for a period of five years. These are extrapolated for the later years and discounted against the estimated discount rate. The cash-flow projections contain various assumptions and estimates of future expectations. The value in use is sensitive for the used discount rate and expected future cash flows.

As regards to work in progress, Van Oord has substantial contracts in progress and in its order book which, by their nature, are potentially high risk due to their size, complexity, and (long) duration. These projects are accounted for using best estimates of: the degree to which project revenue is achievable (allowing for contract variations), project expenses, and the expected profit on any contractually related maintenance phase. Because of

their size, complexity and (long) duration, projects may also have a relatively large impact on the company's result. Project revenue, project expenses and hence the result made on projects at the time of completion may differ substantially from current estimates, amongst others as a consequence of negotiations with customers.

COVID-19

COVID-19 is having a major impact on Van Oord, with our worldwide activities, and our employees. We responded by prioritizing as follows: ensure health and safety of our people, place maximum emphasis on project continuation, cut costs drastically, improve our cash position through rigorous working capital management, communicate clearly with our employees (often online) and temporise investments. We were able to continue our work on all projects, albeit subject to a range of different requirements and measures. Van Oord continues to monitor the development of COVID-19 and to assess the impact thereof on the financial performance and will undertake actions promptly when required.

Financial instruments

Financial instruments include both primary financial instruments, such as receivables, payables and derivative financial instruments. All purchases and sales of financial assets made according to standard market conventions are recognised as at the transaction date, being the date on which the group enters into a binding agreement. For the accounting policies applicable to primary financial instruments, please refer to the relevant individual balance sheet items. For the valuation and recognition of derivatives, please refer to the section 'Derivatives and hedge accounting'.

Intangible fixed assets

Goodwill is the difference between the purchase price for newly acquired participating interests and the value of the company's share in the fair value determined in accordance with the Van Oord N.V. accounting policies. Goodwill is amortised on a straight-line base on its expected useful economic life.

Tangible fixed assets

Tangible fixed assets are stated at the lower of cost and net realisable value, less straight-line depreciation and / or impairments of tangible fixed assets based on their expected useful economic lives as stated in the notes to the consolidated balance sheet. Investments made during

the year are depreciated from the date of purchase insofar these have become operational. Retired tangible fixed assets are carried at the carrying amount or their net realisable value, whichever is lower. A tangible fixed asset is derecognised upon sale or when no further economic benefits are expected from its continued use or sale. The gain or losses arising on the disposal is taken to the profit and loss account. Repair and maintenance costs are recognised by means of a maintenance provision.

Financial fixed assets

Participating interests over whose financial and operating policies significant influence is exercised, even when less than 20% interest is held, are stated at the lower of the proportional share of their net asset value determined in accordance with the accounting policies of Van Oord N.V. Participating interests over whose financial and operating policies no significant influence is exercised are carried at cost less any impairment. Dividend is designated as income and recognised under financial income and expenses. Long-term receivables are stated at amortised cost.

Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available for set-off, for which the group assesses the availability of deferred tax liabilities set-off, the possibility of planning of fiscal results and the level of future taxable profits in combination with the time and/or period in which the deferred tax assets are realised.

Stock

Raw materials and consumables are stated at the lower of cost and net realisable value. Van Oord applies the first-in/first-out system.

Receivables

Receivables are initially measured at fair value plus transaction costs and subsequently stated at amortised cost, net of provisions for doubtful debts where necessary.

Cash at bank and in hand

Cash at bank and in hand is stated at nominal value.

Provisions

Provisions are stated at the nominal value of the expenditures expected to be required to settle the liabilities or losses. Provisions are discounted if the effect of

discounting is material. If some or all of the expenditure required to settle a provision is likely to be reimbursed by a third party at the time when the provision is settled, the reimbursement is separately recognised as an asset.

A provision is recognised in the balance sheet if:

- a present obligation (legal or constructive) has arisen as a result of a past event
- the amount can be estimated reliably; and
- settlement of the liability is likely to result in an outflow of resources

Deferred tax liabilities are recognised for taxable temporary differences between tax and financial reporting purposes, and are carried on the basis of the tax consequences of the realisation or settlement of assets and liabilities as planned at the balance sheet date. The tax rates and tax laws used, are those that are (substantively) enacted at that date. Deferred tax liabilities are non-discounted and recognised under the provision for tax liabilities.

Long-term liabilities

Long term liabilities are initially carried at fair value minus transaction costs and subsequently stated at amortised cost.

Work in progress

Work in progress relates to contracts with third parties and is stated at cost, plus attributed profit, minus the realisable value of work completed.

Cost comprises of direct project costs (such as the costs of staff directly involved in the project, costs of materials, subcontractor fees and charges for equipment), expenses attributable to general project activities and the project, and other costs contractually allocable to the customer.

Profit is accounted for on the basis of the technical progress of the work once this profit can be estimated reliably. The realisable value of work completed comprises the total work in progress instalments charged, and work completed but not yet invoiced. A provision for expected losses is deducted from the balance of work in progress.

Other liabilities

Other liabilities are initially carried at fair value minus transaction costs and subsequently stated at amortised cost.

Pensions

The existing principle pension plan which is carried out by a pension administrator (insurance company) has not been continued as per 31 December 2019. Based on this collective defined contribution plan, Van Oord allocated until year-end 2019 a fixed contribution annually. Part of the execution agreement with the pension administrator is the presence of an indexation reserve (placed with the pension administrator). The financial resources in this reserve have the sole purpose of providing indexations. The Executive Committee of Van Oord determines the annual level of an indexation percentage, which can also be zero. The accrued pension entitlements up to 31 December 2019 are assured by the existing pension administrator (insurance company) and are not transferred to the new pension administrator (pension fund).

As per 1 January 2020, the new principle pension plan is carried out by pension fund PGB. This pension plan is a collective defined contribution plan based on an average pay plan and a target pension age of 68. Based on this collective defined contribution plan Van Oord will allocate as per 1 January 2020 a fixed contribution annually. The aim is to maintain the value of the accrued pension entitlements. The accrued pension entitlements are not assured and the decision on the level of indexation percentage is based on the coverage ratio of the pension fund and is taken by the Board of the PGB pension fund. The coverage ratio at year-end 2020 is 102.5%. The guiding principle is that annual pension charges are equal to the pension contributions payable to the pension administrator. A liability is recognised in so far as the contribution payable to the pension administrator has not been paid at the balance sheet date.

Derivatives and hedge accounting

Van Oord N.V. uses financial instruments ('derivatives'), such as forward currency contracts to hedge against risks associated with fluctuations in currencies. Van Oord carries these instruments at cost and applies cost price hedge accounting. Hedge relationships have been documented and are pre-reviewed for expected effectiveness. Effectiveness is reviewed on a regular basis. If the critical elements of the derivative and the hedged item are not the same, a certain degree of ineffectiveness is assumed and a quantitative ineffectiveness measurement is required. If that measurement reveals that the cumulative negative change in fair value of the hedging instrument is higher in absolute terms than

the opposite change in fair value of the hedged item, then ineffectiveness exists, which will be directly recognised in the profit and loss account as a loss.

Income and expenses

Revenue

Net revenue represents the value of the work carried out in the financial year plus the profit on work completed in the year and income from some trading activities.

Costs

Costs are determined in accordance with the accounting policies set out above and are allocated to the financial year to which they relate.

Employee benefits

Employee benefits and social charges are charged to the profit and loss account in the period in which the employee services are rendered.

Share in result of participating interests

The share in the result of participating interests consists of the share of the group in the results of these participating interests.

Income taxes

Income taxes are calculated on the basis of the result disclosed in the profit and loss account, taking into account current tax facilities and deferred tax assets and liabilities. Together with its Dutch group companies, the company constitutes a fiscal unity. Taxes within this fiscal unity are settled based on the reported financial results of the respective entities. Tax assets and liabilities are netted if the general conditions for netting are met.

Cash-flow statement

The cash-flow statement is prepared on the indirect method. The liquidities included in the cash-flow statement comprise of cash at bank and in hand. Cash flows in foreign currencies are translated at an average exchange rate. Transactions where no cash is exchanged are not included in the cash flow.

Notes to the consolidated balance sheet

(x EUR 1,000)

The figures shown in brackets are the corresponding figures for the previous financial year.

Assets

1. Intangible fixed assets	2020	2019
Book value at 1 January	35,696	47,256
Goodwill paid	1,050	-
Amortisation	-9,171	-11,560
Book value at 31 December	<u>27,575</u>	<u>35,696</u>
Cost	149,346	164,681
Accumulated amortisation	<u>121,771</u>	<u>128,985</u>

Intangible fixed assets fully relate to goodwill. Goodwill is amortised over the period in which the economic benefits attributable to the asset are deemed to flow to Van Oord. The maximum amortisation period is 20 years.

2. Tangible fixed assets 2020	Land and buildings	Floating and other contracting equipment	Vehicles, fixtures and fittings	Assets under construction	Total
Book value per 1 January	82,396	1,269,416	18,337	349,954	1,720,103
Additions	738	5,702	778	121,883	129,101
Assets taken into operation and other changes	199	220,980	4,258	-224,419	1,018
Disposals	-111	-10,074	-24	-4,821	-15,030
Depreciation	-4,247	-147,069	-6,425	-	-157,741
Book value per 31 December	<u>78,975</u>	<u>1,338,955</u>	<u>16,924</u>	<u>242,597</u>	<u>1,677,451</u>
Cost	119,067	3,214,939	60,625	242,597	3,637,228
Accumulated depreciation	40,092	1,875,984	43,701	-	1,959,777
Depreciation period in number of years	8 - 25	4 - 20	5 - 10		

Tangible fixed assets 2019

	Land and buildings	Floating and other contracting equipment	Vehicles, fixtures and fittings	Assets under construction	Total
Book value per 1 January	81,536	1,357,449	15,304	227,827	1,682,116
Additions	6	4,032	2,343	186,484	192,865
Assets taken into operation and other changes	4,957	52,366	7,226	-64,357	192
Disposals	-	-1,021	-239	-	-1,260
Depreciation	-4,103	-143,410	-6,297	-	-153,810
Book value per 31 December	82,396	1,269,416	18,337	349,954	1,720,103
Cost	118,113	3,183,502	76,150	349,954	3,727,719
Accumulated depreciation	35,717	1,914,086	57,813	-	2,007,616
Depreciation period in number of years	8 - 25	4 - 20	5 - 10		

Assets under construction are not depreciated, unless the recoverable amount of the assets under construction is lower than the carrying amount, which was not the case in 2020. Upon first use, these assets are properly categorised and depreciated in accordance with the accounting policies stated above.

The insured value of tangible fixed assets at year-end 2020 amounted to EUR 3.2 billion (EUR 3.3 billion).

As in previous years the company assessed whether as per 31 December 2020 there is objective evidence that an asset or group of assets is impaired. Based on value in use

calculations for BU Dredging and BU Offshore it is concluded that there is limited respectively significant headroom and no impairment. The company has analysed the sensitivity of the headroom to a reasonable possible change of certain key assumptions in the value in use calculations of the CGU's. The value in use and the headroom as calculated are especially for BU Dredging dependent on (future) market and award volume recovery and could therefore reduce if such recovery is delayed and/or is less strong than currently anticipated.

3. Financial fixed assets 2020

	Participations	Loans	Deferred tax assets	Total
Balance at 1 January	20,997	21,736	9,735	52,468
Capital injections	21,181	-	-	21,181
Dividend received	-169	-	-	-169
Share in results	-1,631	-	-	-1,631
New loans	-	18,426	-	18,426
Impairment of loans	-	-7,600	-	-7,600
Other changes	-9	22	-1,990	-1,977
Balance at 31 December	40,369	32,584	7,745	80,698

Financial fixed assets 2019

	Participations	Loans	Deferred tax assets	Total
Balance at 1 January	8,962	2,463	11,200	22,625
Capital injections	12,245	-	-	12,245
Dividend received	-96	-	-	-96
Share in results	101	-	-	101
Disposals	-222	-	-	-222
New loans	-	19,270	-	19,270
Other changes	7	3	-1,465	-1,455
Balance at 31 December	20,997	21,736	9,735	52,468

The impairment of loans in 2020 reflects the write-down to the lower net realisable value which is anticipated to be recovered. In the profit and loss account this amount is included in Costs.

The deferred assets year-end 2020 include positions of in total EUR 7.5 million which are expected to be settled within one year.

4. Receivables

	2020	2019
Trade debtors	127,393	262,114
Other receivables	199,174	164,859
Prepayments and accrued income	<u>39,872</u>	<u>36,156</u>
	366,439	463,129

The total of the accounts receivable is after deduction of a provision for bad debts of EUR 51 million (EUR 45 million).

5. Cash at bank and in hand

	2020	2019
Cash, giro and bank	262,590	90,286
Deposit accounts	<u>5,834</u>	<u>17,886</u>
	268,424	108,172

Of the total of cash at bank and in hand, EUR 37 million (EUR 56 million) relates to proportionally consolidated contracting consortiums and participating interests and EUR 81 million (EUR 0 million) relates to a restricted bank account. The balance on this restricted bank account represents cash received from a customer on a specific bank account in the name of the company at the respective federal treasury department. The amount is subject to

specific regulations of the federal treasury department, which formalities need to be complied with before further transfer of amounts to unrestricted bank accounts of the company. This restricted bank balance is therefore not immediately at free disposal of the company.

Deposit accounts are immediately available to the company.

Liabilities

6. Shareholders' equity

Statement of changes in shareholders' equity of Van Oord N.V.:

	2020	2019
Shareholders' equity of Van Oord at 1 January	1,007,916	998,967
Consolidated profit attributable to Van Oord N.V.	33,042	45,881
Translation differences arising on foreign participating interests	-4,925	2,653
Total direct changes in shareholders' equity of Van Oord N.V.	-4,925	2,653
Total profit of the legal entity	28,117	48,534
Dividend	-21,099	-39,585
Total changes in shareholders' equity	-21,099	-39,585
Shareholders' equity of Van Oord N.V. at 31 December	1,014,934	1,007,916

For further details, please refer to the notes to the company balance sheet, under d.

7. Provisions

	1 January 2020	Addition	Utilisation	Release	Exchange differences	31 December 2020
Regular maintenance						
of fixed operating assets	117,828	107,995	80,648	15,396	-	129,779
Tax liabilities	150,399	10,084	-	16,903	-4,718	138,862
Warranty obligations	10,412	25,630	1,389	-	-	34,653
	278,639	143,709	82,037	32,299	-4,718	303,294

The provision for regular maintenance of fixed operating assets is formed for systematic maintenance of equipment.

The provision for tax liabilities is intended mainly to settle tax liabilities, arising during the year and prior years, which may lead to tax payments in future reporting periods.

The provision for warranty obligations covers estimated obligations for completed construction contracts and increased as a number of offshore wind projects have been completed in 2020.

All provisions are generally long term in nature.

8. Long-term liabilities

In 2019, an EU Private Placement in the amount of EUR 200 million was arranged in order to replace the existing credit lines. The EU Private Placement has 6 tranches with terms of 5 to 10 years.

The Revolving Credit Facility has a principle amount of EUR 450 million. The maturity date was extended with one year to July 2025 for EUR 405 million, with EUR 45 million maturing in 2024. At 31 December 2020 an amount of EUR 40 million was drawn under the RCF.

In 2020, Van Oord signed a Green Loan Framework with a small number of banks on the back of 3 dual fuel (Natural Gas and Marine Gas Oil) hopper dredgers currently under construction. Under this Green Loan Framework EUR 130 million of floating rate loans have been secured all maturing in 2025. At year-end 2020 the loans were undrawn.

Further details of effective interest rates, remaining maturities and currencies in which the interest-bearing liabilities are denominated are provided in the note on financial instruments under 'interest rate risk'.

At year-end 2020, the company comfortably met the loan terms agreed for the credit facilities.

The average rate of interest on long term loans in 2020 was 1.55% (2.11%, excluding one-off charges in 2019) per annum. The repayment of long term liabilities after 5 years until final maturity amounts to EUR 98 million (EUR 198 million). No direct security is provided for any of the loans including Green Loan Framework tranches.

9. Work in progress

	2020	2019
Cost of work in progress, profit recognised, provision for expected losses	-3,362,002	-3,699,842
Realisable value of work completed	3,469,562	3,722,540
Advance payments received	85,113	92,283
	192,673	114,981

The work in progress balance includes agreements for which the cost of work in progress exceeds the realisable value of work completed. Total cost of work in progress and

realisable value of work completed amounted to EUR 1,036 million (EUR 1,884 million) and EUR 919 million (EUR 1,683 million), respectively, at year-end 2020.

10. Other liabilities

	2020	2019
Trade creditors	130,283	107,916
Taxes and social security contributions	108,166	55,516
Various other liabilities	60,934	46,114
Accruals and deferred income	403,445	388,172
	702,828	597,718

Accruals and deferred income mainly concern accruals for project costs.

Financial instruments

General

Van Oord N.V. and its group companies use various financial instruments as part of their normal business activities. These are either accounted for under assets and liabilities or are not included in the balance sheet.

Credit risk

In principle, payment risks are covered by bank guarantees, insurance, etc., unless the creditworthiness of the debtor has been assured. These procedures and the geographical spread of the group companies' activities limit exposure to credit concentrations and market risks.

Liquidity risk

The principle underlying liquidity risk management is that sufficient cash resources must be maintained or credit facilities available to meet current and future financial commitments under both normal and exceptional circumstances. Liquidity forecasts, which include available credit facilities, form part of the regular management information. In view of the nature of the activities and corresponding strongly fluctuating cash flows, the available cash at bank and in hand is usually not tied up for more than one year.

Fuel price risk

The fuel price is largely hedged by entering into forward contracts and contractual arrangements with customers.

Foreign exchange risk

Many project contracts are denominated in foreign currencies. Virtually all positions in foreign currencies are fully hedged by means of forward exchange contracts. Forward currency contracts concluded to hedge against exchange rate fluctuations are valued at cost, and cost price hedge accounting is applied. Differences in forward rates arising from renewed forward exchange contracts are included in the balance sheet under current liabilities or assets. Forward exchange contracts are concluded for future cash flows mainly in US dollars. For this purpose, an amount of EUR 2 million (EUR 0.3 million) is included under other liabilities at 31 December 2020, which is released as soon as the hedged future cash flow occurs.

Interest rate risk

The EU Private Placement is mainly of a fixed-interest nature (EUR 150 million fixed, EUR 50 million variable). The Revolving Credit Facility is fully of a variable-interest nature. With regard to interest rate risk exposure, Van Oord periodically evaluates the mix of fixed and variable interest rate liabilities, balancing the benefit of lower interest costs versus the variability of cash flows. Van Oord may use derivative financial instruments to hedge the interest rate exposure.

The effective interest rates and maturities of cash at bank and in hand and interest-bearing liabilities are as follows:

Per 31 December 2020 (x EUR 1,000)	Effective interest rate	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Cash at bank and in hand	0.2%	268,424	-	-	-	-	-	268,424
EU Private Placement 2019 (EUR)	1.8%	-	-	-	-	100,000	97,910	197,910
Revolving Credit Facility (EUR)	1.0%	-	-	-	4,000	36,000	-	40,000
Green Loan Framework (EUR)	0.4%	-	-	-	-	-	-	-
Other loans (EUR)	-	-	1,943	2,295	2,295	-	-	6,533
Total long-term liabilities	-	-	1,943	2,295	6,295	136,000	97,910	244,443

The movement of the interest-bearing long-term liabilities is as follows:

(x EUR 1.000)

	EU Private Placement	Revolving Credit Facility	Other loans	Total
Book value at 1 January	198,239	210,000	6,503	414,742
Repayment	-	-170,000	-	-170,000
Amortisation of bank fees	-329	-	-	-329
Other changes	-	-	30	30
Book value at 31 December	197,910	40,000	6,533	244,443

On-balance financial instruments and fair value

The fair value of financial instruments included in the balance sheet, such as financial fixed assets, cash at bank and in hand, receivables, and current and long-term liabilities, is virtually identical to their carrying value.

Off-balance financial instruments and fair value

As at 31 December 2020, the (nominal) amount of the forward exchange contracts at the forward rates was EUR 325 million (EUR 557 million). The (nominal) amount of the currencies to be received under these contracts at the exchange rates at 31 December 2020 was EUR 320 million (EUR 583 million).

Commitments, contingent assets and liabilities

Warranty commitments

The warranty commitments not included in the balance sheet amounted to EUR 730 million (EUR 790 million) at year-end 2020. The vast majority of the commitments relate to performance bonds issued to clients, which is common practice in contracting.

Obligations pursuant to claims, procedures and investigations

Van Oord is involved in - or may in future be involved in - claims procedures and investigations, including regulatory and other governmental, with possible financial and/or other consequences in the context of its business operations. Based on available information, Van Oord expects that at year-end 2020 sufficient provisions have been made for possible negative financial developments.

Events of non-compliance may result in regulatory investigations, litigations and/or sanctions. Although extensive efforts are made to act in compliance with all relevant (local and international) legislation and regulations, notwithstanding all risk mitigating measures, a complete elimination of compliance risk cannot be guaranteed. Any violation of any relevant legislation, including anti-bribery and corruption legislation or anti-money laundering legislation could be material on our operational performance and cash flow in an individual accounting period.

Rental and lease commitments

Total commitments under long-term rental and lease contracts amount to EUR 20 million (EUR 20 million). An amount of EUR 8 million will be paid in 2021. Total operational lease commitments amount to EUR 14 million, of which EUR 5 million will be paid in 2021. Commitments with a term longer than 5 years amount to EUR 1 million.

Capital commitments

Commitments relating to investments in tangible fixed assets amounted to EUR 254 million (EUR 353 million) at the balance sheet date. An amount of EUR 140 million will be paid in 2021. There are no commitments with a term longer than 5 years.

Agency fees

Van Oord has own management teams in place in many parts of the world, but also works with agents to win and/or execute contracts. This can lead to an increased risk of non-compliance with laws and regulations

Some countries require us to engage an agent, and an agent can also provide local support during the execution of a project. Agents usually receive a (fixed) percentage of the contract price for their work, sometimes in the form of a (partial) success fee. That is why we try to mitigate the risks associated with working with agents through our Agent Policy. Stringent procedures relating to new and existing agents are in place and we engage the services of external professionals to support us.

Although our stringent policy and procedures did not reveal any concrete indications of possible irregularities, the risk of non-compliance with the applicable laws and regulations can never be completely excluded. Please refer to chapter 4 Governance (Risk and Compliance) for a more detailed explanation of our approach to and management of compliance risks.

Related parties

Van Oord classifies group companies, the Executive Board, the Supervisory Board and (participations of) the shareholders as related parties. Related-party transactions are carried out at arm's length basis.

Notes to the consolidated profit and loss account

(x EUR 1,000)

11. General

Net revenue on work carried out in 2020, including the company's share of revenue generated by the consolidated consortiums (excluding value added tax), amounted to EUR 1,677 million (EUR 1,644 million).

Breakdown revenue by geographical area	2020		2019	
Netherlands	685,313	41%	385,322	24%
Rest of Europe	613,115	36%	760,043	46%
Rest of the world	378,941	23%	498,402	30%
	1,677,369	100%	1,643,767	100%

Breakdown revenue by business unit	2020		2019	
Dredging	598,176	36%	690,428	42%
Offshore Wind	631,740	38%	570,553	35%
Offshore	211,623	13%	209,869	13%
Netherlands	235,830	13%	172,917	10%
	1,677,369	100%	1,643,767	100%

Wages and salaries

Wages, salaries and social security contributions in 2020 for employees of Van Oord and its group companies amounted to EUR 296 million (EUR 300 million). This related to an average

of 3,611 (3,764) employees (in full-time equivalents) and can be broken down as follows:

	2020	2019
Wages and salaries	241,663	241,976
Social security contributions	31,947	33,545
Pension costs	22,610	24,221
	296,220	299,742

These costs only relate employees on our own payroll. The above figures include wages, salaries, social security contributions and pension costs of EUR 58 million (EUR 57 million) relating to the companies consolidated on a proportional basis.

Remuneration of the members of the Supervisory Board and Statutory Directors totalled EUR 2.7 million (EUR 4.8 million).

Remuneration of the members of the Supervisory Board amounts to EUR 0.3 million (EUR 0.3 million) and Statutory Directors amounts to EUR 2.4 million (EUR 4.5 million).

Annual pension charges are equal to the pension contributions payable to the pension administrator.

Breakdown of average number of employees (fulltime equivalents)	2020		2019	
Employed in the Netherlands	2,436	53%	2,475	48%
Employed outside the Netherlands	1,175	25%	1,289	25%
	<u>3,611</u>	<u>78%</u>	<u>3,764</u>	<u>73%</u>
Hired personnel	1,042	22%	1,411	27%
	<u>4,653</u>	<u>100%</u>	<u>5,175</u>	<u>100%</u>

11. and 12. Gross profit

Gross profit represents the balance of net revenue and the cost of work, plus the profit recognised on work in progress.

Gross profit also includes:

- the addition to or release from the provision for expected losses on work in progress;
- prior-year income and expenses on work completed in previous years;
- income from fixed operating assets charged as rent to projects and third parties, less operating expenses, including periodic maintenance costs, and excluding depreciation;
- various items of income and expenses, such as results on the sale of tangible fixed assets, exchange differences and compensation for damage;
- depreciation and impairment of tangible fixed assets;
- amortisation of intangible fixed assets.

13. General and administrative expenses

General and administrative expenses are costs not charged to projects for mainly personnel & organisation, operations and area support, quality, health & safety & environment, finance & administration (including management support), marketing & public relations, information technology, estimating & engineering and legal & contracts. The costs in respect of the aforesaid services are allocated to worldwide group entities.

General and administrative expenses are charged based on a fixed ratio of the applicable net revenue to the respective group companies for the book year. This allocation ratio is set to cover, to a certain level, the general administrative expenses of the company that renders the head office services concerned.

General and administrative expenses comprised EUR 1.3 million (EUR 0.9 million) in audit fees for the financial statements of the entities included in Van Oord N.V.'s consolidated accounts. These fees were charged by Ernst & Young Accountants LLP Netherlands and taken to the profit and loss account. Other audit fees charged by Ernst & Young in 2020 were EUR 0.3 million (EUR 0.1 million). Non-audit fees charged by Ernst & Young were nil (2019: nil).

14. Net interest expense

	2020	2019
Interest income	665	1,935
Interest expense	<u>-10,036</u>	<u>-26,734</u>
	<u>-9,371</u>	<u>-24,799</u>

The EU Private Placement is mainly of a fixed-interest nature (EUR 150 million fixed, EUR 50 million variable). The Revolving Credit Facility is fully of a variable-interest nature.

15. Income taxes

This item includes both Dutch and foreign taxes.

The effective and nominal tax rates differ by country.

Reconciliation between the weighted nominal tax rate and the effective tax rate is as follows (in percentage terms):

	2020	2019
Weighted average nominal tax rate	29.2%	38.8%
Tax implications of:		
Use of losses available for set-off not accounted for	-9.7%	-23.1%
Loss carry-forwards not accounted for	2.2%	2.6%
Tax-exempt profits and non-deductible expenses	18.3%	21.8%
Amortisation of intangible fixed assets	3.3%	3.5%
Movements in provisions	-11.3%	-15.9%
Effective tax rate	32.0%	27.7%

Future losses relief correspond to a tax amount of approximately EUR 50 million (EUR 52 million) which is not recognised as deferred tax asset in the balance sheet of Van Oord. The set off of these compensating losses are amongst others dependent on any future taxable profits. Of the total amount, around EUR 30 million can in principle be carried forward indefinitely. EUR 20 million relates to jurisdictions in which losses can be carried forward 3 to 10 years (weighted average of 6 years) and based thereon the expiration of these losses is estimated to be on average approx. 3 years.

Company balance sheet (before appropriation of profit)

(x EUR 1,000)

The letters next to the items refer to the corresponding letters in the notes.

		31 December 2020	31 December 2019
Fixed assets			
Intangible fixed assets	a.	20,598	27,464
Financial fixed assets	b.	941,057	919,187
		<u>961,655</u>	<u>946,651</u>
Current assets			
Receivables		70	159
Amounts owed by group companies	c.	440,734	432,118
		<u>440,804</u>	<u>432,277</u>
Total assets		1,402,459	1,378,928
Shareholders' equity			
	d.		
Paid-up and called-up share capital		12,100	12,100
Share premium account		270,400	270,400
Statutory reserves		-30,506	-25,581
Other reserves		729,898	705,116
Profit for the financial year		33,042	45,881
		<u>1,014,934</u>	<u>1,007,916</u>
Provisions	e.	-	25,645
Long-term loans from group companies	f.	328,300	328,300
Current liabilities			
Amounts owed to group companies		17,238	-
Other liabilities		41,987	17,067
		<u>59,225</u>	<u>17,067</u>
Total shareholders' equity and liabilities		1,402,459	1,378,928

Company profit and loss account

(x EUR 1,000)

	2020	2019
Profit of participating interests after taxation	52,440	68,211
Various income and expenses after taxation	-19,398	-22,330
Net profit	33,042	45,881

Notes to the company financial statements

(x EUR 1,000)

The figures shown in brackets are the corresponding figures for the previous financial year.

Unless stated otherwise, reference is made to the notes to the consolidated financial statements.

Assets

a. Intangible fixed assets

	Goodwill
Book value at 1 January 2020	27,464
Amortisation	-6,866
Book value at 31 December 2020	<u>20,598</u>
Cost	137,320
Accumulated amortisation	<u>116,722</u>
Amortisation period in number of years	20

b. Financial fixed assets

The group companies included in this item are listed and referred to in the notes to the consolidated financial statements.

	Group companies	Long-term loans to group companies	Deferred tax assets	Total
Book value at 1 January 2020	586,290	328,300	4,597	919,187
Payment share premium	100,000	-	-	100,000
Dividend received	-100,000	-	-	-100,000
Result of participating interests	52,440	-	-	52,440
Translation differences of participating interests	-4,925	-	-	-4,925
Transfer from provisions	-25,645	-	-	-25,645
Book value at 31 December 2020	<u>608,160</u>	<u>328,300</u>	<u>4,597</u>	<u>941,057</u>

Long-term loans to group companies have a maturity per 31 December 2022 (interest of Euribor +1.2%).

c. Amounts owed by group companies

Amounts owed by group companies include EUR 404 million (EUR 429 million) related to a surplus of Van Oord N.V. as part of the (zero-balance) cash pool held by the Van Oord Group at the Deutsche Bank.

Shareholders' equity and liabilities

d. Shareholders' equity

The authorised share capital in accordance with the Articles of Association amounts to EUR 40,000,000, divided into 40,000 ordinary shares of EUR 1,000. The issued share capital amounts to EUR 12,100,000, divided into 12,100 ordinary shares.

	Paid-up and called-up share capital	Share premium account	Statutory reserves	Other reserves	Undistributed result	Total
2020						
Balance at 1 January	12,100	270,400	-25,581	705,116	45,881	1,007,916
Added to reserves	-	-	-	24,782	-24,782	-
Dividend paid	-	-	-	-	-21,099	-21,099
Translation differences and other changes in participating interests	-	-	-4,925	-	-	-4,925
Profit for the financial year	-	-	-	-	33,042	33,042
Balance at 31 December	12,100	270,400	-30,506	729,898	33,042	1,014,934

	Paid-up and called-up share capital	Share premium account	Statutory reserves	Other reserves	Undistributed result	Total
2019						
Balance at 1 January	12,100	270,400	-28,234	652,604	92,097	998,967
Added to reserves	-	-	-	52,512	-52,512	-
Dividend paid	-	-	-	-	-39,585	-39,585
Translation differences and other changes in participating interests	-	-	2,653	-	-	2,653
Profit for the financial year	-	-	-	-	45,881	45,881
Balance at 31 December	12,100	270,400	-25,581	705,116	45,881	1,007,916

The share premium account is tax exempt.

Statutory reserves consist of a currency translation reserve participating interests of EUR -31.4 million (EUR -26.5 million) and a reserve for statutory reserves of participating interests of EUR 0.9 million (EUR 0.9 million).

Proposed appropriation

The proposed appropriation of the profit is as follows:

Proposed dividend on ordinary shares	15,963
Added to reserves	17,079
Profit for the financial year	<u>33,042</u>

e. Provisions

	1 January 2020	Transfer to financial fixed assets	31 December 2020
Provision for participating interests	25,645	-25,645	-

f. Long-term loans from group companies

The balance consists of long-term loans from group companies with a maturity per 31 December 2022 (interest of Euribor +1.2%) for which long-term loans have been provided to other group companies as included under financial fixed assets.

Contingent liabilities

The company is jointly and severally liable for the tax liabilities of the group companies forming part of the Van Oord N.V. fiscal unity.

Rotterdam, 16 March 2021

Supervisory Board

N.W. Hoek, Chairman
C.M. Insinger
J.H.R. Kretzers
J.M.J.A.P. Laurent Josi
J.M. Valkier
J.M.M. van der Ven
P.W. Verheul

Statutory Directors

P. van Oord, CEO
M.J. Poots-Bijl

Other Information

Profit appropriation

Profit appropriation takes place in accordance with Article 14 (1) of the Articles of Association, which reads as follows:

‘The profit as disclosed in the profit and loss account approved by the General Meeting of Shareholders will be at the disposal of the General Meeting of Shareholders.’

Other information

6

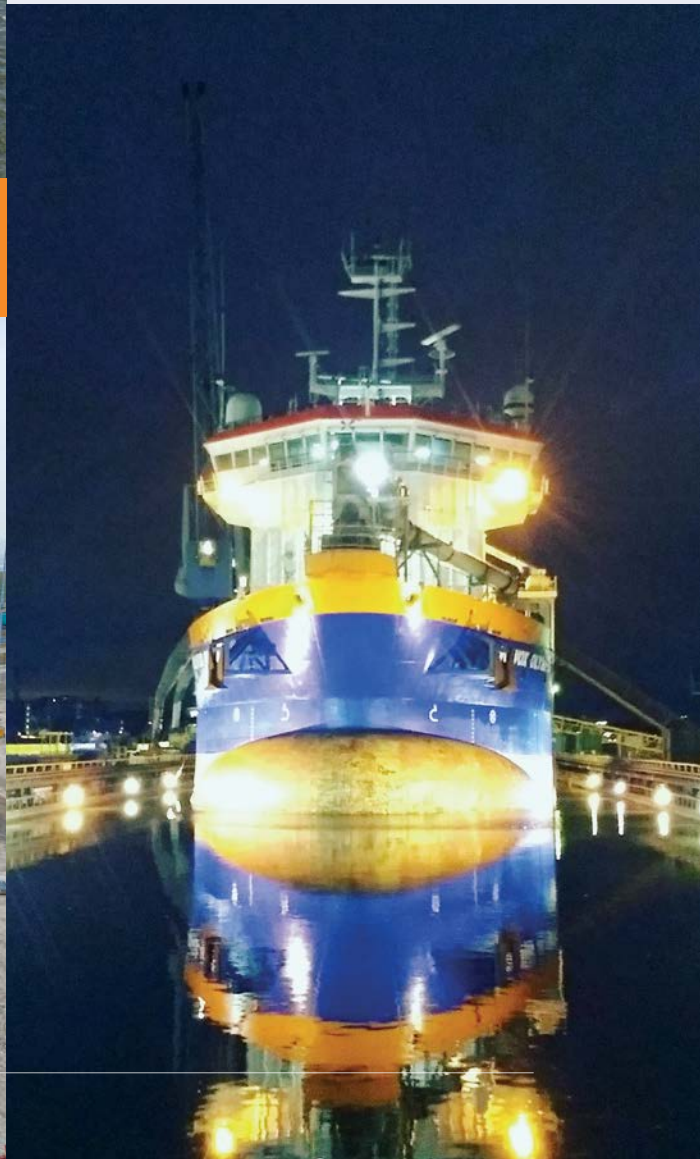
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About this report

Van Oord has reported on the state of affairs in the company and its subsidiaries in its 2020 Annual Report. The annual report is intended for all interested parties. In it, we report on the company's performance, its added social value and its financial results.

This annual report has been approved by the Supervisory Board and will be adopted by the shareholders on 15 April 2021. The accompanying annual financial statements have been audited by Ernst & Young Accountants LLP. Our financial statements are in accordance with the Dutch GAAP, the generally accepted accounting principles of financial reporting in the Netherlands, and the statutory regulations concerning annual financial statements, as included in the Dutch Civil Code, Title 9, Book 2.

The non-financial information contained in this report complies with our own reporting guidelines and the relevant sections of the Sustainability Reporting Guidelines (G4) by the Global Reporting Initiative (GRI). To ensure that the report is easy to read, its structure differs from the GRI Guidelines.

Limited assurance is requested for a number of selected sustainability indicators. They are:

- Carbon footprint: Emissions expressed in tonnes of carbon dioxide. Concerns emissions from all equipment, flights, fleet of vehicles, offices and shipyards. These emissions come under scope 1 and 2 emissions as defined in the CO₂ Foundation for Climate Friendly Procurement and Business (SKAO). The conversion factor applied by Van Oord is also taken from this Manual.
- Cumulative renewable energy capacity installed: Cumulative renewable energy capacity installed of all projects that Van Oord and its acquired companies contributed to since the beginning of our offshore wind activities in 2002. The capacity of the whole project is included, in MW, in the year that all of the physical units of our scope have been installed. Our involvement has been substantial in these projects ranging from transporting & installing main components all the way up to delivering turnkey projects, including engineering, procurement and construction of full renewable energy projects.

- Lost Time Injury Frequency Rate (LTIFR): Number of recordable injuries with absence (more than 24hrs) per 200,000 hours worked by workers on Van Oord's payroll or hired in from other companies, based on 2,693 hours per FTE; based on compulsory notifications by projects, fleet, offices and yards to the QHSE department. LTIFR includes all reported cases (with absence more than 24 hrs).
- Spills with significant environmental impact: These are reported spills released beyond site boundary and leading to breach of licence conditions.
- Sustainable supply chain: Number of suppliers assessed by Van Oord on Environmental, Social and Corporate Governance risks. The number represents the cumulative amount of suppliers scanned using external data provided by a data science company, and provides insight in how companies conduct their business relating to human rights, labour standards, corruption and environmental issues.
- Total Recordable Incident Injury Rate (TRIR): Number of recordable incidents injuries per 200,000 hours worked by workers on Van Oord's payroll or hired in from other companies, based on 2,693 hours per FTE; based on compulsory notifications by projects, fleet, offices and yards to the QHSE department. Recordable injury include: Fatalities, Lost time injury cases (absence more than 24hrs.), Medical treatment cases and Restricted work cases. This excludes First aid cases. TRIR includes all reported cases.

The selected indicators are to be found in Chapter 3, Non-financial performance, in this 2020 Annual Report. The data provided on these selected indicators refers to Van Oord N.V. and its wholly-owned corporate group companies. The graphs and notes in the report indicate the year to which the data refers.

This report is available in English on our website <http://annualreport.vanoord.com>, <http://www.vanoord.com> and in the Van Oord App (App Store and Google Play). We would be pleased to receive any comments on this annual report. Please send your e-mail to info@vanoord.com.

I Independent auditor's report

To: the shareholders and supervisory board of Van Oord N.V.

Report on the audit of the financial statements 2020 included in the annual report

Our opinion

We have audited the financial statements 2020 of Van Oord N.V. based in Rotterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Van Oord N.V. as at 31 December 2020 and of its results for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The consolidated and company balance sheet as at 31 December 2020
- The consolidated and company profit and loss account for 2020
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Van Oord N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter relating to uncertainty about Corona

The developments around the Corona (Covid-19) pandemic have a profound impact on people, society and on the economy. This impacts operational and financial performance of organizations and the assessment of the ability to continue as a going concern. The impact may continue to evolve, giving rise to complexity and inherent uncertainty. Van Oord N.V. is confronted with this uncertainty as well.

The financial statements and our auditor's report thereon reflect the conditions at the time of preparation, including the uncertainty and the impact on significant assumptions and estimations, that are disclosed in the notes to the financial statements in the paragraph of Estimates and assumptions on page 99 and the disclosure about Covid-19 on page 99. We draw attention to these disclosures.

Our opinion is not modified in respect of this matter.

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Key figures
- The management board's report
- Report by the Supervisory Board
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code
- Definitions

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error,

designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Rotterdam, 16 March 2021

Ernst & Young Accountants LLP

W.P. de Pater

I Assurance report of the independent auditor

To: the shareholders and supervisory board of Van Oord N.V.

Our conclusion

We have performed a limited assurance engagement on selected non-financial indicators in the annual report for the year 2020 of Van Oord N.V. at Rotterdam.

Based on our procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected indicators are not prepared, in all material respects, in accordance with the reporting criteria as included in the 'Reporting criteria' section of our report.

The selected indicators consist of:

- frequency of injuries (TRIR) as specified on page 63;
- frequency of injuries with absence (>24 hrs) (LTIFR) as specified on page 63;
- the carbon footprint (in metric tonnes) as specified on page 61;
- cumulative renewable energy capacity installed in MW in which Van Oord had a role as specified on page 60;
- number of reported spills with significant environmental impact as specified on page 62;
- The number of suppliers assessed by Van Oord on Environmental, Social and Corporate Governance risks, as specified on page 62.

Based on our procedures performed nothing has come to our attention that causes us to believe that section "Stakeholders and materiality matrix" is not prepared, in all material respects, in accordance with the reporting criteria as included in the 'Reporting criteria' section of our report.

Basis for our conclusion

We have performed our limited assurance engagement on the selected indicators in accordance with Dutch law, including Dutch Standard 3000A *"Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)"* (Assurance engagements other than audits or reviews of historical financial information (attestation engagements)).

Our responsibilities under this standard are further described in the 'Our responsibilities for the assurance engagement on the selected indicators' section of our report.

We are independent of Van Oord N.V. in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Reporting criteria

The selected indicators need to be read and understood together with the reporting criteria. Van Oord N.V. is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the selected indicators are the reporting criteria developed by Van Oord N.V. and are disclosed in section 'About this report' of the annual report.

The absence of an established practice on which to draw, to evaluate and measure the selected indicators allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Unassured corresponding information

No assurance engagement has been performed on the selected indicator "number of reported spills with significant environmental impact" for the year 2019. Consequently, the corresponding selected indicator for the year 2019 is not assured.

Limitations to the scope of our assurance engagement

Our assurance engagement is restricted to the selected indicators. We have not performed assurance procedures on any other information as included in the annual report in light of this engagement.

References to external sources or websites are not part of our assurance engagement on the selected indicators. We therefore do not provide assurance on this information.

Responsibilities of the management board and the supervisory board for the selected indicators

The management board is responsible for the preparation of reliable and adequate selected indicators in accordance with the reporting criteria as included in the 'Reporting criteria' section of our report. In this context, the management board is responsible for the identification of the intended users and the criteria being applicable for their purposes. The choices made by the management board regarding the scope of the selected indicators and the reporting policy are summarized in in section 'About this report' of the annual report.

The management board is also responsible for such internal control as the management board determines is necessary to enable the preparation of the selected indicators that are free from material misstatement, whether due to fraud or errors.

The supervisory board is responsible for overseeing the reporting process of Van Oord N.V.

Our responsibilities for the assurance engagement on the selected indicators

Our responsibility is to plan and perform our limited assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance obtained in a reasonable assurance engagement.

We apply the "*Nadere voorschriften kwaliteitssystemen*" (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements,

professional standards and applicable legal and regulatory requirements.

The procedures of our limited assurance engagement included amongst others:

- Performing an analysis of the external environment and obtaining an understanding of the sector, insight into relevant social themes and issues, relevant laws and regulations and the characteristics of the company as far as relevant to the selected indicators
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures on the selected indicators. This includes the evaluation of the reasonableness of estimates made by the management board
- Obtaining an understanding of the reporting processes for the selected indicators, including obtaining a general understanding of internal control relevant to our assurance engagement
- Identifying areas of the selected indicators with a higher risk of misleading or unbalanced information or material misstatements, whether due to fraud or errors. Designing and performing further assurance procedures aimed at determining the plausibility of the selected indicators responsive to this risk analysis. These further assurance procedures consisted amongst others of:
 - Interviewing management and relevant staff at corporate and business level responsible for the strategy, policy and results relating to the selected indicators
 - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the selected indicators
 - Obtaining assurance information that the selected indicators reconcile with underlying records of the company
 - Reviewing, on a limited test basis, relevant internal and external documentation
 - Performing an analytical review of the data and trends in the information submitted for consolidation at corporate level
- Reconciling the relevant financial information with the financial administration
- Evaluating the consistency of the selected indicators with the information in the annual report which is not included in the scope of our assurance engagement
- Evaluating the overall presentation, structure and content of the selected indicators

Rotterdam, 16 March 2021

Ernst & Young Accountants LLP

R.T.W. Wortelboer

I Definitions

Financial terms

Amortisation: Depreciation of intangible assets such as goodwill.

Audit Committee: A committee comprising members of the Supervisory Board whose main task is to advise the Supervisory Board on its supervisory role with regard to the company's financial affairs and reporting.

Dutch GAAP: The generally accepted accounting principles for financial reporting in the Netherlands (Dutch Annual Reporting Guidelines and the statutory provisions on annual reporting as laid down in Title 9, Book 2, of the Dutch Civil Code).

EBIT: Earnings before interest and taxes.

EBITDA: Earnings before interest, taxes, depreciation and amortisation.

Hedging: Offsetting all or part of a financial risk in an investment by means of another investment.

Order book: The value of revenue on projects that Van Oord has been awarded, including those subject to financial close, but has yet to carry out.

Return on capital employed: EBIT divided by average capital employed, i.e. total assets less short-term liabilities.

Return on equity: Net profit divided by average equity.

Solvency: Equity divided by balance sheet total, i.e. fixed and current assets.

General terms

Alternative/Low-carbon fuels: Low-carbon or non-fossil 'fuels' such as biofuels, advanced diesel, natural gas, hydrogen (for fuel cells), ammonia, green methanol, nuclear and electricity.

Backhoe: a hydraulic grab crane mounted on a dredging pontoon. Backhoes are used in hard ground.

Balance of Plant: all the work that necessarily precedes the installation of a wind turbine, for example construction of the foundations and the cable base.

Biodiversity: Refers to the variety of life that can be found on earth (plants, animals, fungi and micro-organisms), which is essential for a sustainable planet. Biodiversity provides functioning ecosystems that supply e.g. oxygen, clean air and water.

Building with Nature: A design approach that harnesses the forces of nature to benefit environment, economy and society. The approach results in resilient, multi-functional, innovative designs tailored to the local context that deliver across the range of the Sustainable Development Goals.

Carbon footprint: Emissions expressed in tonnes of carbon dioxide. This concerns emissions from all equipment, flights, fleet of vehicles, offices and shipyards. These emissions come under scope 1 and 2 emissions as defined in the CO₂ Performance Ladder Version 2.2 by the Independent Foundation for Climate Friendly Procurement and Business (SKAO). The conversion factor applied by Van Oord is also taken from this manual.

Circularity: The focus on the transition to a circular economy, aimed at eliminating waste and the continual re-use of resources. The circular system focuses on recycling and renewable materials to create a closed-loop system, minimizing the creation of waste, pollution and carbon emissions.

Climate change-adaptation: Adaptation to climate change is the process by which societies reduce vulnerability to climate change or take advantage of the opportunities offered by a changing climate. Adaptation can be autonomous or planned.

Climate change-mitigation: Climate mitigation consists of measures intended to limit the magnitude and/or speed of global warming. By climate mitigation, people often mean reducing human-caused greenhouse gas emissions. This includes CO₂ compensation through planting trees and mangroves.

Community engagement: A dynamic relational process that facilitates communication, interaction, involvement, and exchange between Van Oord/partners and communities directly or indirectly affected by the company's business activities.

Cumulative renewable energy capacity installed: Cumulative renewable energy capacity installed of all projects that Van Oord and its acquired companies contributed to since the beginning of our offshore wind activities in 2002. The capacity of the whole project is included, in MW, in the year that all of the physical units of our scope have been installed. Our involvement has been substantial in these projects ranging from transporting & installing main components all the way up to delivering turnkey projects, including engineering, procurement and construction of full renewable energy projects.

Cutter suction dredger: A vessel that uses a rotating cutter head to loosen the material in the bed.

Digitisation: Applying information technology to any aspects of the organisation and society.

Diversity & inclusiveness: Diversity of gender (female/male ratio), race, ethnicity, age, sexuality, language, education, background, etc.

Emissions: The production and discharge of something, especially (greenhouse) gases or radiation.

Energy efficiency of fleet: Modelled energy efficiency coefficient of vessels and other equipment.

Energy transition: The energy transition is a structural shift towards a low-carbon energy system.

Environmental impact: Any change to the environment, whether adverse (pollution) or beneficial, resulting from the company's activities. In other words, the effect that Van Oord's actions have on the environment, excluding emissions.

EPC: Type of contract with responsibility for engineering, procurement and construction.

Fleet capacity utilisation rate: Occupation of equipment related to project execution in number of working weeks per year (weighted average). This number includes cold stacked equipment.

Flexible fallpipe vessel: A vessel that installs rock on an ocean or river bed using a fallpipe with the aim of protecting underwater structures or levelling the bed.

Fuel/Energy consumption: The fuel and energy consumption of Van Oord's facilities and Van Oord's own and externally rented equipment minus self-generated energy.

Global Reporting Initiative: Independent, international organisation that helps businesses and other organisations take responsibility for their impacts, by providing them with the global common language to communicate those impacts.

Greening financing/Export credit insurance: The current societal pressures on financing and export credit agencies to limit business support only to investments/projects that are considered 'green', such as renewable energy, climate adaptation and mitigation, water

management or protection of biodiversity and landscapes. This could lead to lack of support for coal, oil and gas projects.

Health: A healthy workplace is one where workers and managers collaborate to continually improve both mental and physical health and well-being to all workers and by doing this, sustain the productivity of the business.

Human rights: Upholding and promoting the basic rights and freedom of all affected by Van Oord's activities. Include rights to which everyone can claim, regardless of origin, nationality, belief, gender, legal status or other characteristics.

Hydrogen economy: A possible future economy in which hydrogen gas is an important energy carrier, in contrast to the current economy where fossil fuels are the most important energy carriers.

International level playing field: The same rules and/or standards for all firms, for example considering international responsible business conduct. The context here is the growing call for Dutch and/or EU regulations that may not apply to non-EU competitors.

KPIs: Key performance indicators, variables that indicate whether an organisation is on track to achieve its targets.

Learning & development: The aim to improve group and individual performance by increasing and developing skills and knowledge. Offering training programmes and the ability to generate commitment among employees to the organisation and its goals.

Legal compliance/integrity: This topic addresses the company's approach to and public disclosure on ethical and fair business conduct, corporate governance and compliance. This includes taxation, privacy, bioethics, fraud, bribery & corruption and fiduciary responsibilities.

Lost Time Injury Frequency Rate (LTIFR): Number of recordable injuries with absence (more than 24hrs) per 200,000 hours worked by workers on Van Oord's payroll or hired in from other companies, based on 2,693 hours per FTE; based on compulsory notifications by projects, fleet, offices and yards to the QHSE department. LTIFR includes all reported cases (with absence more than 24 hrs).

Male/female ratio: The number of men compared to the number of women on the Van Oord payroll.

Marine ingenuity/innovation: The ability to solve difficult problems, often in original, clever, and inventive ways.

Maritime Labour Convention: International convention governing working and living conditions on board sea-going vessels.

Mobility: The ability of staff to move or be moved.

NGO: Non-governmental organisation that is independent of government and that focuses on a matter of social concern.

Operational excellence: An organisation's determination to deliver excellent service to its customers. It means that everything that the organisation does must be right the first time: delivery on time and for an outstanding price.

Plastic: The impact from the use of plastic, ranging from single-use plastic and packaging to equipment such as rock buckets, on natural resources and the Earth's environment affecting wildlife, nature and humans.

PlumeGuard: An advanced system for turbidity and sediment spill measurements that can be equipped with a variety of water quality sensors. It can be deployed to perform mobile water quality measurements and to monitor dredging plumes.

Safety: Safety in the workplace refers to physical safety. In both instances, it means having a workplace that is reasonably free from danger to all workers and actively preventing the workplace from becoming unsafe.

Sick leave rate: A number of days' absence due to illness (employees on Dutch payroll) divided by the number of potential working days times the number of employees on the Dutch payroll (x 100%).

Social impact/Land governance: Any change to the social conditions of a community, such as loss of livelihoods, increased food insecurity, threats to the cultural survival and cultural heritage of indigenous peoples, disproportionate harms to women and girls, and loss of access to water or benefits from other ecosystem services. Positive change resulting from Van Oord's work is also included here.

Spills with significant environmental impact: These are reported spills released beyond site boundary and leading to breach of licence conditions.

Supply chain due diligence: Addresses issues related to environmental, social and governance (ESG) risks within the supply chain conform the Ten Principles of UN Global Compact and OECD Guidelines. Van Oord applies due diligence by actively screening and monitoring suppliers and subcontractors.

Supply chain transparency: Clarifies the negative externalities on the environment caused in the supply chain. It captures the impact on the operational activities of suppliers. For key materials procured by Van Oord, we encourage the registration of the impact on greenhouse gas emissions, air pollution, use of natural resources and the use of plastics.

Sustainable supply chain: Number of suppliers assessed by Van Oord on Environmental, Social and Corporate Governance risks. The number represents the cumulative amount of suppliers scanned using external data provided by a data science company, and provides insight in how companies conduct their business relating to human rights, labour standards, corruption and environmental issues.

Trailing suction hopper dredger: A vessel with large, powerful pumps and engines that enable it to suck up sand, clay, sludge and even gravel from ocean or river beds.

Total Recordable Incident Injury Rate (TRIR): Number of recordable work-related injuries per 200,000 hours worked by workers on Van Oord's payroll or hired in from other companies, based on 2,693 hours per FTE; based on compulsory notifications by projects, fleet, offices and yards to the QHSE department. Recordable injury include: Fatalities, Lost time injury cases (absence more than 24hrs.), Medical treatment cases and Restricted work cases. This excludes First aid cases. TRIR includes all reported cases.

Value chain responsibility: The process of encouraging sustainability in procurement chains. Van Oord practices value chain responsibility by identifying what sustainability issues our suppliers and subcontractors address in their operations, discussing these issues with them, and including them in our procurement terms and conditions.

Water injection dredger (WID): A special, innovative dredging vessel that injects water under low pressure into the sea or river bed, bringing sediment on the bottom into suspension, which is then carried away by natural tidal or river currents. Their excellent manoeuvrability means that WIDs can work close to embankments and quay walls, making them a very good choice for harbour deepening projects.

Water use: Water is essential to life and all ecosystems and is becoming a scarce resource. Therefore, this topic refers to the commitment to responsible water use.

Publication details

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Contact

We would be pleased to receive any comments on this annual report. Do you have questions about the contents of this report or our reporting methods? You can let us know that too, by sending an e-mail to info@vanoord.com or contacting Mr R. de Bruin, **T** +31 88 8268234. You will receive a response within ten working days.

It's the
ingenious people
that make
Van Oord.

