

Annual Report

Royal Van Oord



'22

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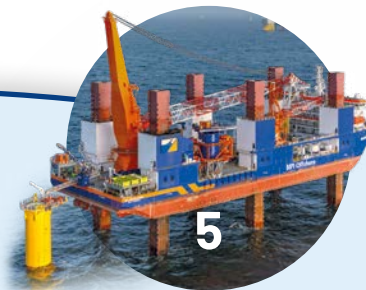
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Using over 150 years of experience
to find ingenious solutions



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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)

	2022	2021	2020	2019	2018
People					
No. of employees in full-time equivalents at 31 December	5,243	4,725	4,369	5,217	4,954
Ratio male/female % *	85/15	85/15	86/14	85/15	86/14
Number of nationalities employed by Van Oord	89	83	73	71	74
Number of participants in classroom training courses	5,047	3,473	2,842	5,447	3,353
Absence due to illness (in % of Dutch payroll) *	4.2	3.9	4.1	4.2	4
Accident frequency in TRIR *	0.51	0.59	0.48	0.65	0.67
Accident frequency in LTIFR *	0.15	0.15	0.18	0.23	0.18
Planet					
Total installed renewable energy capacity (MW)	930	1,142	2,842	1,850	846
Scope 1 greenhouse gas emissions (tonnes x 1,000) *	475.3	390.1	472.2	534.3	481.8
Development relative scope 1 emissions (tCO ₂ e/million EUR revenue)	235.2	257.2	281.6	325.0	
Prosperity					
Net revenue	2,021	1,517	1,677	1,644	1,876
EBITDA **	243	67	226	254	306
Depreciation and amortisation	165	165	167	166	161
EBIT **	78	-98	59	88	145
Net profit	60	-62	33	46	92
Total equity and liabilities	3,039	2,738 ***	2,458	2,414	2,530
Equity	985	915	1,015	1,008	999
Long-term loans	579	435	244	415	207
Cash	400	373	268	108	287
Net debt	178	62	-24	307	78
Order book **	4,300	4,355	3,553	3,610	3,676
Cash flow from operating activities	62	50	476	30	128
Cash flow from investment activities	-187	-98	-120	-222	-120
Cash flow from financing activities	143	174	-191	10	-34
Net cash flow	19	126	165	-181	-26
Dividend	35	0	16	21	40
Return on equity **	6.4%	-6.5%	3.3%	4.6%	9.5%
Return on capital employed **	4.7%	-6.2%	3.6%	5.5%	9.3%
EBITDA/net revenue	12.0%	4.4%	13.5%	15.5%	16.3%
Net profit/net revenue	3.0%	-4.1%	2.0%	2.8%	4.9%
Equity/total assets (solvency) **	32.4%	33.4% ***	41.3%	41.8%	39.5%

* see list of terms

** see list of financial terms

*** comparative figures 2021 have been restated, reference is made to Revised accounting standards (page 114).

We create a better world for future generations

by delivering Marine ingenuity



People

We build on our strong foundation: the quality of our people, our collective experience and expertise, and innovative ideas that makes us unique.



Planet

We focus on providing climate adaptation solutions to coastal communities and ecosystems most impacted by climate change while reducing our own emissions. We build the green energy infrastructure of the future.



Prosperity

We are a purpose-led value-driven company. Our future prosperity focus guides our resource allocation, innovation agenda, and investment decisions and is reflected in our high-performance leadership culture.

Van Oord in brief

Our purpose

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

Our 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 safely and partner with our clients** and stakeholders to create innovative and sustainable solutions.

Our values

What drives us internally and externally:

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

Ownership

Shareholders Van Oord N.V.

 **78.5%**
MerweOord B.V.

10.75%
ConsOord B.V.

10.75%
Ulran S.A.

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 more than 150 years of entrepreneurship, spirit and perseverance displayed by our predecessors and employees.

6 Market drivers



Real GDP growth



Population growth



Climate change and rising sea level



Maritime transport



Urbanisation



Growing demand for energy and the energy transition

Our 8 UN Sustainable Development Goals

These 8 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



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



17 PARTNERSHIPS FOR THE GOALS





People



Employees
5,243
 2021: 4,725



Nationalities
89
 2021: 83



Male
85%
 2021: 85%



Female
15%
 2021: 15%




**Number of participants
 in training courses**
5,047
 2021: 3,473

People are at the heart of our organisation and vital to realising our strategy Building the Future Together.



Safety

Total Recordable Injury Rate (TRIR)
 **0.51**
 2021: 0.59

Lost Time Injury Frequency Rate (LTIFR)
 **0.15**
 2021: 0.15

For more information, see The Right People chapter.

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 – Gorinchem – Rotterdam – Bolsward, Norway – Oslo, Poland – Warsaw – Gdansk, Portugal – Lisbon, Romania – Constanta, Spain – Madrid, United Kingdom – Small Dole – Stokesley **America** | Brazil – Rio de Janeiro, Canada – Calgary, Colombia – Bogota, Curaçao – Willemstad, Guyana – Georgetown, Mexico – Mexico City, Panama – Panama City, Peru – Lima, United States – Houston – Dover (Delaware) **Africa** | Angola – Talatona-Luanda, Egypt – Suez, Mozambique – Maputo, Nigeria – Ikeja-Lagos, Senegal – Dakar **Middle East & West Asia** | Bahrain – Manama, India – Mumbai, Qatar – Doha, Turkey – Istanbul, United Arab Emirates – Dubai – Abu Dhabi – Ras Al Khaimah – Umm Al Quwain **Asia & Australia** | Australia – Milton, China – Shanghai, Hong-Kong, Indonesia – Jakarta – Batam, Japan – Tokyo, Korea – Busan, Malaysia – Kuala Lumpur, Maldives – Male, Philippines – Manila, Singapore, Taiwan – Taipei, Thailand – Bangkok, Vietnam – Hanoi



Planet



All our new-build investments will be prepared to run on the renewable fuels of the future.



Scope 1 greenhouse gas emissions
(tonnes x 1,000 CO₂e)

475.3
2021: 390.1



Total installed renewable energy capacity

930 MW*
2021: 1,142 MW



Total cumulative renewable energy capacity

16,523 MW*
2021: 15,593 MW



Number of suppliers assessed by Van Oord on Environmental and Corporate Governance risks

1,537
2021: 1,356

For more information, see the Sustainability chapter.

* Including the Greater Changhua 1 & 2a project. By the end of 2022, all 111 infield cables were installed and the project neared completion. The full scope of work will be completed in 2023.



Prosperity



Van Oord is growing substantially and profitability is recovering.



Revenue*

2,021
2021: 1,517



Order book*

4,300
2021: 4,353



Projects

191
2021: 187

Countries

42
2021: 35

Revenue per business unit*

Dredging



892
2021: 727

Offshore Wind



599
2021: 347

Offshore



208
2021: 191

Netherlands



322
2021: 252

* million euros

For more information, see the World of Van Oord chapter.

The world in 2022

a turbulent year



Brand new cable-laying vessel Calypso on its way to the Vard Brattvaag yard in Norway for construction finishing, after a successful and safe launch at the Vard Tulcea shipyard in Romania.

2022 was a year of growth and recovery from an operational and profitability perspective. We realised a substantial increase in our revenue and got back in control on a number of complex projects. Profitability was restored while handling severe supply disruptions and price increases.

2022 was one of the most turbulent years in our company's 154-year history. Due to COVID-19, there were many restrictions imposed on Van Oord in recent years: travel restrictions, quarantine requirements and, of course, concerns around the health of our people. Fortunately, we saw that most restrictions were lifted over the course of 2022. The worldwide vaccination campaign made an important contribution to this.

On 24 February, the world was shocked by Russia's military invasion of Ukraine. This is a humanitarian crisis of unprecedented magnitude, a war in Europe with so far more than 100,000 casualties. It is the largest military conflict in Europe since World War II. The direct and indirect effects on our company have been substantial. We ceased all our activities in Russia and the projects in our order book have been cancelled. Where necessary, we have been able to support our Ukrainian crew members with, among other things, providing accommodation outside Ukraine. We have also seen employees of both Ukrainian and Russian nationalities work together on projects and vessels.

As a result of the war in Ukraine, we were confronted with disruption in our supply chains worldwide, which led to high inflation and price hikes for certain products. Some supplies were not available and this led to project delays. Where we were contractually unable to pass on these increases to our clients, we entered into discussions with clients for compensation. This has cost the company tens of millions of euros in 2022. As a result of these worldwide price increases and rises in interest rates, the economy has cooled considerably and there is the threat of stagnation and, in some of our markets, even of recession. We also saw a lot of turbulence in the world of energy in 2022. As a result of Russia stopping gas supplies to Europe and overdue investments in energy infrastructure, gas and electricity prices exploded in Europe.

Politicians in Europe overwhelmingly supported energy independence from Russia, which led to a flood of new plans regarding the realisation of renewable energy projects. This mainly concerned offshore wind projects. In Esbjerg, for example, there was a commitment made between Denmark, Germany, the Netherlands and Belgium to have 60 gigawatts of offshore wind installations by 2030 and to work towards 150 gigawatts of capacity installed by 2050.



2022 was one of the most turbulent years in our company's 154-year history.

Governments and companies also gave resolute pronouncements on the achievement of the Paris targets: CO₂ neutral by 2050. Van Oord has endorsed the Paris targets and also committed itself to being CO₂ neutral by 2050. However, despite all efforts in the field of renewable energy, we saw CO₂ emissions in the world rise slightly in 2022 as a result of the starting up of coal-fired power stations. We are increasingly confronted with the energy trilemma: to find a balance between sustainability, security and affordability.

Market

Our markets recovered in 2022 in line with our expectations, with the exception of the Dutch infrastructure market, about which we are less optimistic due the ongoing nitrogen crisis, combined with the impact of cost increases on clients' budgets. Many experts believe that the world is on the verge of a raw materials 'supercycle', which means a shortage of many raw materials. This not only concerns oil and gas, but also the materials needed to realise the energy transition, such as steel, copper and aluminium. This will lead to structurally high prices for these raw materials and is also expected to lead to a wave of new investments during this decade.

New LNG ports, offshore gas and offshore wind projects provide growth potential for our business. Offshore wind will become a very important source of energy in North-West Europe in the coming decades, and we expect this to grow exponentially. In 2022 we also saw a recovery in the investments in fossil fuels. This is expected to be a temporary upturn. Gas will remain relevant as a transition fuel in the coming years. The energy transition is moving forward and will see an early acceleration, especially by countries that depend on fossil fuel imports. Van Oord will remain active in the oil and gas market in the coming years and will further increase its share in the renewable sector.

Despite major investments in renewable energy, the wind energy industry is facing serious financial challenges. There is a combination of factors causing unhealthy market conditions for this industry. Market imbalance (supply and demand), supply chain disruptions, geopolitical tensions and COVID-19 are making market conditions unprofitable for many parties including Van Oord.

Revenue, result and balance sheet

At EUR 2.0 billion, our revenue in 2022 was significantly higher than in 2021 (EUR 1.5 billion). We saw revenue growth in all our business units and a strong increase in

the level of our activities in the Offshore Wind business unit in particular. We were able to successfully complete nearly 200 projects for our clients.

Our net result recovered to EUR 60 million after the net loss of EUR 62 million in 2021. All our business units were profitable, with the exception of Offshore Wind. The loss for Offshore Wind was due to price increases in the supply chain which we could not pass on to our clients, and the aftermath of some loss-making projects taken on in 2020 and 2021. The Dredging and Offshore business units achieved good results. The Netherlands business unit closed the year with a small positive result, and we were able to settle claim positions on a number of projects in 2022. This was very important in the recovery of our profitability.

In 2022 we took on new work for a net amount of EUR 2.0 billion. The gross award volume amounted to EUR 2.6 billion, however a number of old projects was removed from our order book – this mainly concerned projects in Russia and Angola. We saw a high volume of awards in Dredging and Offshore, although the award volume in the Offshore Wind business unit lagged behind. Our order book remained stable at EUR 4.3 billion. Our operating cash flow was EUR 62 million in 2022 compared to EUR 50 million in 2021. The net debt position increased from EUR 62 million at the end of 2021 to EUR 178 million at the end of 2022 driven by investments. Our leverage ratio is 0.9. We are once more ending this year with a strong position on the balance sheet.

Given our ambition for profitable growth heading towards 2030 and the associated investment volume, we are not yet at the desired level. However, the return on capital employed improved to 4.7% in 2022 and is therefore on the way to recovery.



We saw a high volume of awards in Dredging and Offshore.



For the **deepening of the Harwich approach channel and inner harbour** a total of 15 million cubic metres of silt, sand and clay have been dredged. Among others, **trailing suction hopper dredgers Rotterdam and Vox Amalia** were deployed on the project.

Investments

Our first LNG trailing suction hopper dredger Vox Ariane became operational in 2022. The official launch took place at the Wilhelminapier in Rotterdam, a place well known to us, and we are very satisfied with the Vox Ariane's operational performance. In 2023 its 2 sister ships, the Vox Apolonia and the Vox Alexia, will enter service and our new cable-laying vessel Calypso will also become operational end of summer 2023. This ship is equipped with 2 cable carousels, which makes it suitable for laying HVDC cables (high voltage direct current). These cables will play an important role in offshore wind farms, especially those located further from the coast.

In 2022 we began the construction of our new offshore installation vessel Boreas. This jack-up offshore installation vessel is being built in Yantai (China). The crane, which can lift more than 3,000 tons, is being built at Huisman in China. We are pleased to say that the COVID-19 travel restrictions to China have been lifted, which will make construction easier. In addition, we ordered 2 more state-of-the-art water injection dredgers. These 2 WIDs will once more be built by Kooiman in Zwijndrecht. The design is based on the previously commissioned WIDs Maas and Mersey.

Our goal is to be climate neutral by 2050. On all our new ships, we are investing in the latest engine technology which will (in time) be able to run on the fuels of the future (methanol, ammonia, biofuels and hydrogen). At the moment, it is not yet clear which fuels will eventually be available for the shipping industry. The entire investment programme has been allocated more than 800 million euros.

Organisation

Our organisation is growing rapidly as a result of the market recovery. At the end of 2022, Van Oord had 5,243 employees (in FTE). Over the past year, our net workforce has increased by over 500 FTEs. As a result of the good labour market in North-West Europe, we see that staff turnover is higher than during the previous decade. This led us to expand our recruitment drive and we were able to take on many new employees. In the autumn of 2022, we conducted another employee engagement survey and were satisfied with the results, which were significantly better than the year before. With the help of these employee engagement surveys, we can see the areas in which our personnel policy still needs improvement.

In 2022 our employees' main concern was the wages policy. Due to the high inflation in 2022, market-based remuneration will be an even higher priority. Given the importance of our HR strategy, we appointed a Chief People Officer in the Executive Committee in 2022, Meike Salvadó-de Reede.

In terms of content, a great deal of attention was devoted to the lessons learned programme, in which subjects like risk management, quality assurance and balance of power were greatly improved. An important part of our HR strategy is the work of being a high-performance organisation. Part of this is an extensive leadership programme, which we developed together with IMD and are currently implementing.



Sustainability and safety

Major steps were taken in 2022 regarding sustainability. Within the 4 business units, we paid a lot of attention to making this concrete in the tenders, projects and implementation. There is a lot of variation, from incorporating Building with Nature solutions in the design and implementation phase to sustainability requirements in the supply chain, up to and including the use of biofuels to reduce emissions. Sustainability is also finding its way into the investment programme, particularly of the fleet. In 2022 we committed ourselves to a 1.5-degree pathway in line with Science Based Targets Initiative (SBTi) Maritime Guidance to tackle the reduction of Emissions in our scope 1, 2 and 3.

The S.E.A. programme (Sustainable Earth Actions) is running company wide, with 4 focal points directed at: accelerating climate actions, enhancing the energy transition, empowering nature and communities, and our approach to the decarbonisation of our business activities, ultimately working towards net-zero emissions by 2050. This is an important assignment which will mean tackling various uncertainties. We are motivated to work on this with various parties.

Our safety statistics showed a positive improvement in 2022 compared to 2021 (TRIR 2022 0.51 versus TRIR 2021 0.59). The nature of our work entails major risks for our employees and there has been a continuous effort over the past 2 decades to take our safety culture to a higher level. We will keep working on the continuous improvement of this culture. Our experience has taught us that you should never be complacent with your performance when it comes to safety.

Business units

Dredging

In 2022 we saw the continuation of the clearly observable market recovery. Revenue increased from EUR 727 million in 2022 to EUR 892 million. The occupancy rate of the trailing

suction hopper dredgers in particular was considerably better than in 2021. The gross award and variation order volume was significantly higher than in 2021, at EUR 1.4 billion. The net award volume amounted to EUR 896 million versus EUR 843 million in 2021. The results, including income from settlements, in Dredging were satisfactory.

The business unit won new projects in the field of climate adaptation in countries such as Romania and the Maldives. The access channel with associated nature islands in Szczecin (Poland) was successfully completed.

Offshore Wind

The revenue of our Offshore Wind business unit rose sharply in 2022 (EUR 599 million in 2022 versus EUR 347 million in 2021). On the Saint-Brieuc project, foundations were drilled into the bedrock at a total of 41 locations. We expect to complete the project in 2023. We neared completion of the Greater Changhua project, although we experienced a lot of restrictions because of COVID-19. Due to difficult market conditions and price increases in the supply chain (also as a result of the war in Ukraine), there are insufficient returns both for us and for the sector as a result of which the business unit incurred a loss in 2022. In view of the importance of offshore wind in the energy transition, this situation is untenable. In 2022 we experienced a cautious market recovery, but we need a better balance between reward and risk. The award volume in 2022 was significantly lower than in 2021 (EUR 339 million versus EUR 962 million in 2021). In December 2022, we received a provisional award for the Hollandse Kust West project, which has not yet been included in our order book. The utilisation of offshore wind vessels in 2022 was high.

Offshore

Revenue in the Offshore business unit was slightly higher in 2022 than in 2021 (EUR 208 million in 2022 versus EUR 191 million in 2021). The results were satisfactory. The utilisation rate of our fallpipe vessels was higher than in 2021. Subsea rock installation on offshore wind farms is now the fastest growing market for our fallpipe vessels.

With our people's commitment, resilience, knowledge and competences, combined with a modern and efficient fleet, we have every confidence in the market opportunities of the coming years.

The important Golfinho project in Mozambique was suspended throughout 2022. The award and variation orders were significantly higher in 2022 than in 2021 (EUR 498 million in 2022 versus EUR 367 million in 2021). Projects in Russia were taken out of the order book.

The Netherlands

The risks we have seen in large-scale complex works – such as in the DBFM market – have forced us to take a more selective approach. The legal proceedings regarding nitrogen emissions have also caused significant delays in the preparation and implementation of the necessary infrastructure. The tender volume in the Netherlands was low in 2022, and we do not expect this to change any time soon. The government will have to take a critical look at its policies and procedures if it wants construction projects to remain viable in the Netherlands.

Revenue of the Netherlands business unit in 2022 was considerably higher than in 2021 (EUR 322 million in 2022 versus EUR 252 million in 2021) and the business unit realised a positive result in 2022. Mid year an agreement was signed with client Rijkswaterstaat on the impact of the changes in the hydraulic preconditions of the Afsluitdijk project. At the end of the year, the availability certificate was obtained for this iconic project and an important part of the work has now been successfully completed. We are particularly proud of the speed with which the Afsluitdijk has been made high water safe on both the Wadden Sea side and the IJsselmeer side.

Due to the nitrogen problem in the Dutch construction market, hardly any major infrastructure projects are being tendered and awarded. It is still unclear whether the ViA15 project will go ahead. The government has agreed to a compensation scheme for contractors involved in large (DBFM) infrastructure projects for cost increases. We have expressed our satisfaction with this. The award volume, including variation orders, was EUR 255 million in 2022 versus EUR 163 million in 2021.

Strategy and outlook

Our actions this decade have been based on our strategy Building the Future Together. In this strategy, we continue to focus on a portfolio of synergetic activities as a marine contractor. The starting point of this strategy is profitable growth. We are confident that our business will continue to grow this decade, supported by significant developments in our markets. The energy transition and climate adaptation are the 2 biggest factors driving this growth. We have the

intention to reposition our organisation and merge from 4 to 2 business units in 2023. We will create 2 sizeable business units, Offshore Energy to accelerate the energy transition and Dredging and Infra to boost coastal and marine infrastructure to drive climate adaptation solutions.

In the short term, the uncertainties in our markets remain high. World economic growth in 2023 will be significantly lower than previously predicted. The risk of further stagnation or even a global economic recession has seen a considerable increase due to high inflation and rising interest rates, and geopolitical uncertainties can also have a major impact on our performance.

Despite the above, we expect a revenue increase in 2023 and a further improvement in our margins. We are still carrying out a few large projects that were awarded in the years where the risk-reward balance was not healthy. We expect our order book to increase further this year, mainly due to the growth of the offshore wind markets. We will continue to invest in the renewal and sustainability of our fleet in 2023 and the years thereafter. With our people's commitment, resilience, knowledge and competences, combined with a modern and efficient fleet, we have every confidence in the market opportunities of the coming years.

2022 was also marked by a return to normal life after the pandemic. We especially want to give thanks to our colleagues on vessels and projects. They went through difficult and uncertain times during COVID-19 and are therefore owed special recognition for their work and involvement within the company. We also thank our many clients who made it possible for us to continue and complete project work during the COVID-19 period. As a company, we look forward to the future with confidence.

Rotterdam, 10 March 2023

Pieter van Oord



We create
a better world
for future
generations

by delivering Marine ingenuity

A year of **recovery**



Beach nourishment works in Lincolnshire, UK with trailing suction hopper dredger HAM 316. The Lincolnshire project involves beach nourishment across a distance of 20 kilometres and requires around 400,000 cubic metres of sand annually over the 4 years of the project.

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.

The Supervisory Board focused on supporting the organisation in addressing several major challenges in 2022. The board continued to monitor the impact of COVID-19 on Van Oord's activities and reviewed the implications of the war in Ukraine and consequent supply chain disruptions and cost escalations. We reviewed developments related to Van Oord's withdrawal from Russia and closely monitored the approach to loss making projects on which a provision was recorded in 2021. While tackling these challenges, we dedicated significant time to strategy and planning.

Internal organisation

In 2022 Van Oord managed to gain back control over the most complex projects, implement insights gained from previous experiences and use that knowledge to efficiently resolve emerging challenges. By the end of the year, Van Oord's projects were progressing steadily, the demand for its capabilities was growing and its strategy Building the Future Together was taking shape.

The Supervisory Board worked extensively with the Executive Committee to advance the strategy. These efforts are paying off: Van Oord is growing substantially and profitability is recovering.

As Supervisory Board, we support and monitor the organisation's performance. Benchmarking plays an important role in this effort. We compare Van Oord to competitors and carefully assess the company's strategic plans against market trends. The insights strengthen our belief in Van Oord's strategy.

Supervisory Board Performance

The Supervisory Board had 6 regular meetings with the Executive Committee. The tender committee of

the Supervisory Board visited the Constanta Beaches project site and attended the construction of the new cable-laying vessel Calypso at the VARD Tulcea shipyard in Romania. The visit to the shipyard follows the board's approval of the large investment programme in 2021. A delegation of the board also attended the launch of the Vox Ariane in Singapore.

Composition of Supervisory Board

The composition of the Supervisory Board remained unchanged. The members are Messrs Hoek, Laurent Josi, Kretzers, Valkier, Van der Ven, Verheul and Ms Insinger, whereby Mr Kretzers has been reappointed for another term of 4 years.

The composition of the Supervisory Board will change in 2023. After serving almost 11 years, Mr Van der Ven decided to step down from the Supervisory Board of Van Oord N.V. as of April 2023. Mr Sevinga will be nominated for appointment to the Supervisory Board in April 2023, in accordance with MerweOord's rights in the shareholders agreement.

Independence and conflicts of interest

The Supervisory Board independently monitors the performance of the Executive Committee and the general state of affairs of the company, taking into account the interests of all stakeholders. In the performance of their duties, the Supervisory Board is guided by the interests of the company and its affiliated enterprise.

Messrs Kretzers, Van der Ven and Verheul were appointed in accordance with MerweOord's rights as stated in the shareholders agreement, Mr Laurent Josi was appointed in accordance with Ulan's rights as stated in the shareholders agreement, and Messrs Hoek and Valkier were appointed in

accordance with the Works Council's enhanced right of recommendation. Ms Insinger is a member of the Supervisory Board.

The Supervisory Board is committed to maintaining its independence and avoiding any possible conflicts of interest. If a potential conflict of interest does arise, the Supervisory Board member concerned absents him or herself from the meetings and decision-making.

Large Capital Expenditure Committee

The Supervisory Board's Large Capital Expenditure Committee considers investments in excess of EUR 100 million or those selected by the Executive Committee to be discussed. The members of the committee are Messrs Kretzers (chair), Valkier and Verheul. In 2022 the committee was involved in one large investment proposal that has not materialised so far.

Audit Committee

The Audit Committee reviews the company's finances, compliance and risk management. The committee meets 4 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. Dividend, treasury and financing, tax and the finance transformation 2030 were topics that were also discussed. When relevant, other financial and risk officers are invited to attend the meetings. The external auditor attended 3 meetings in 2022. The committee members are Messrs Van der Ven (chair), Laurent Josi and Hoek.

Human Resources Committee

The Human Resources committee held 2 meetings in 2022 to advance the HR strategy The Right People. The committee advised on several topics, such as succession planning, the Organisational Health Index (OHI) scores and subsequent actions, and Diversity and Inclusion. The committee also reviewed the updated undesirable behaviour policy. In addition, Van Oord recruited a Chief People Officer (CPO), Meike Salvadó-de Reede, who will serve as a new member of the Executive Committee. In response to high inflation, the committee advised positively on an intermediate salary increase of 4% to support Van Oord's employees, after regular salary increases in early 2022 and in addition to salary increases that will take place in 2023. The members of the committee are Messrs Hoek (chair), Van der Ven, Valkier and Ms Insinger.

Tender committee

The Supervisory Board participated in the review of over 25 large or complex tenders. The tender review procedure was updated in light of the improved risk management framework. The tender committee now plays an important role in the evaluation of tenders for large projects, such as the Ain Sokhna dredging project in Egypt awarded to Van Oord in 2022. The members of the committee are Messrs Hoek (chair), Verheul and Kretzers.

Strategy

The Supervisory Board spent significant time on long-term planning in support of Van Oord's strategy Building the Future Together. The role of the board is to review the strategy and to challenge how Van Oord can best utilise its finite resources - from people to capital and technological capabilities - to reach its business goals. The board was involved in the decision of the Netherlands business unit to no longer pursue high-risk Design, Build, Finance and Maintain (DBFM) contracts. In addition, the board reviewed the long-term strategy for Offshore Wind amidst the surging demand for wind energy around the world.





Cable laying vessel Nexus (below) and trencher Dig-It installing cables at the **Greater Changhua offshore wind farm project in Taiwan**. Van Oord's Deep Dig-It is a so-called Tracked Remotely Operated Vehicle (TROV).

The acceleration of the energy transition also called for a review of the strategy for the Offshore business unit, resulting in the agreement that Van Oord will remain active in energy infrastructure projects – with a focus on gas as a transition fuel – for the coming years, while increasing the share of renewable energy infrastructure projects in its portfolio.

Sustainability

As part of Van Oord’s strategy, the board paid extensive attention to the sustainability programme. The board supported and reviewed the programme and was regularly involved in conversations about the roll-out of the sustainability strategy, including an assessment of sustainability-related criteria for tenders, the pathway to net-zero emissions and new business opportunities. The board acknowledges that Van Oord can make an important contribution in the area of climate adaptation and in enhancing the energy transition. The stakeholder analysis performed, confirms that the focus areas chosen are in line with expectations of stakeholders.

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 of this annual report. The Supervisory Board discussed the auditor’s findings, co-signed the annual financial statements, and approved the Executive Committee’s report in 2022. We propose that the General Meeting of Shareholders adopt the 2022 annual financial statements and a dividend payout of EUR 35 million, i.e. EUR 27 million based on the dividend policy and EUR 8 million exceptional and additional dividend. Ernst & Young Accountants LLP have also provided limited assurance on a number of quantitative measures relating to sustainability. The independent assurance report is attached to this annual report.

Outlook

We are pleased with Van Oord’s transition and recovery in 2022 and the ability to overcome challenges and learn from them. Van Oord ends the year with a net positive result, which is an achievement given the setbacks experienced in light of the pandemic and the impact of the war in Ukraine on the supply chain and costs.

The year ends with a well-filled order book. Van Oord’s margins are improving, risk provisions are adequate, and the company is in a strong position to return to healthy profit levels. We would like to thank all Van Oord employees for their contribution, flexibility and support which led to the achieved result.

We spent significant time in 2022 on reviewing the translation of the 2030 strategy Building the Future Together into long-term plans, and we are confident in Van Oord’s ability to capitalise on the opportunities in its markets.

Of course we should remain vigilant. Van Oord is executing very challenging projects and often in tough environments. That is the nature of its work. There will always be unexpected challenges, and we will address them as they arise. At the same time, we will continue to monitor the execution of the strategy and keep our sights set on the bright future ahead for Van Oord.

Rotterdam, 10 March 2023

On behalf of the Supervisory Board,

Niek Hoek, Chair



We will continue to monitor the strategy and keep our sights set on the bright future ahead for Van Oord.

World of Van Oord

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Flexible fallpipe vessel **Stornes**
sailing in Norway.





Dredging

Creating a **resilient coastline** for Eforie, Romania. In addition to reinforcing approximately 6 kilometres of coastline, **space was created for nature conservation and recreation.**

The Dredging business unit further improved its performance in 2022. The markets proved resilient in the face of the war in Ukraine and continued to recover. Van Oord won tenders for large-scale projects in Romania, Egypt and the Maldives. Sustainability and nature-based solutions play an important role in many of our projects. We achieved higher revenue and maintained a solid profitability level.

In 2022 the Dredging business unit increased revenue levels. The continued recovery of the markets, improved fleet occupancy, income from settlements, and strong award volumes contributed to our solid results. We executed and completed complex projects, overcame challenges and delivered high-quality work. New awards will build on our strong track record in sustainable and nature-based solutions, in line with our corporate strategy Building the Future Together.

Awarded contracts

Constanta Beaches Phase 3

After participating in a 2-year European tender process for the Constanta Beaches Phase 3 project in Romania, we were awarded contracts for 3 out of the 6 tendered lots. The project involves the design, engineering and construction of groynes and beaches along 6 kilometres of coastline. These new groynes and beaches will protect the area against the waves of the Black Sea. In addition, the reinforcement of the coast is important to the tourism sector and livelihoods of local communities.

In line with our corporate Sustainability strategy, we will deploy nature-based and nature-friendly solutions. Several of the current breakwaters will be removed and replaced with more sustainable alternatives. In addition, the project includes the planting of various species of seagrass and algae to enrich marine life. The design phase is underway, and construction will start in late 2023. Previously, Van Oord was also awarded the Constanta Beaches Phase 2 project, which was nearing completion by the end of 2022.

Ain Sokhna Port

We were awarded a large contract for the Ain Sokhna Port in Egypt. We will deploy a large cutter suction dredger and a fleet of sand carriers for the deepening and expansion of the

port. In the future, a high-speed railroad will connect the Ain Sokhna Port with the Port of Alexandria in order to bypass the Suez Canal. In addition, the Ain Sokhna Port will be expanded with a large hydrogen plant, which will provide renewable fuel for vessels. The dredging work is set to begin in the second quarter of 2023 and is expected to take 2 years.

Addu City

In April 2022, we signed a contract to reclaim and create 194 hectares of land in Addu City, Maldives. The reclamation works are part of the Addu Development Project, which addresses climate change while increasing economic opportunities in the region. Van Oord will provide climate adaptation solutions to protect Addu City from rising sea levels. By reclaiming land for housing, economic development and tourism, we help safeguard the future of the area's 34,000 inhabitants.

Addu City is located in an ecologically sensitive area. Van Oord's extensive track record in the relocation and rehabilitation of coral reefs played a major role in the award decision. We will leverage our expertise and work with local stakeholders to relocate coral and associated species – 70,000 colonies – from the reclamation area prior to project execution. Next we will install 11 kilometres of shore protection using geotextile tubes in addition to rock.

Projects in progress and completed

Fehmarnbelt Fixed Link

We continued work on the Fehmarnbelt Fixed Link between Denmark and Germany. When completed, Fehmarnbelt will be the world's longest immersed road and rail tunnel. The project is one of our most complex to date. It involves dredging an 18-kilometre trench in the seabed and reusing the dredged material to create a recreational nature reserve. The seabed is characterised by many types of soil, including

stiff glacial clay, requiring a wide range of equipment. The project is expected to be completed in 2024.

Harwich approach channel and harbour

The Harwich deepening project was well underway in 2022. The United Kingdom's withdrawal from the European Union has contributed to increased trade flows. The deepening of the Harwich approach channel will increase transportation capacity by allowing larger vessels to enter the harbour. The difficult soil conditions required us to be agile, to modify our vessels to the local circumstances and design a large plough to level the dredged areas. We were well prepared to take on this large and challenging project, which will be completed in the summer of 2023.

Kashagan offshore field

We completed a technologically complex project for the Kashagan offshore field in Kazakhstan. Dredging plays an important role in facilitating transport between the network of artificial islands in the offshore field due to declining water levels in the Caspian Sea. Favourable weather conditions gave us an early start to the 2022 season. We overcame some of the difficulties we experienced in 2021, were well organised and delivered the project on schedule.

Świnoujście-Szczecin fairway

In Poland, we completed a project to deepen and widen the 62-kilometre-long channel from Świnoujście to Szczecin. The Szczecin project included the creation of 2 nature-based islands that will serve as natural habitats for flora and wildlife. The project involved more than 2.5 million working hours and was completed without any accidents resulting in absence, contributing to our strong Lost Time Injury Frequency Rate (LTIFR) record.

Fleet renewal

The christening of trailing suction hopper dredger Vox Ariane took place in June in Rotterdam, the Netherlands. The Vox Ariane is the first of 3 new 10,700 cubic metre LNG dual-fuel hopper dredgers that will make our fleet more energy efficient and sustainable. The vessel is currently working on the Elbe River maintenance project in Germany. The christening of the second vessel, the Vox Apolonia, is scheduled for March 2023.

Due to the success of the new Maas and Mersey vessels, which were inaugurated in 2021, we ordered 2 additional hybrid water-injection dredgers. The vessels feature large battery packs and are driven by new engine technology, which reduces our emissions. The first vessel will be commissioned early 2024.

New way of working

We initiated the Our New Way programme in 2021, as changed market conditions, revised strategic objectives and organisational changes required a new way of working within the Dredging business unit. The programme seeks to improve collaboration and encourage open communication and feedback. By improving our collaboration, we build on our strong foundation: the quality of our people, our collective experience and expertise, and innovative ideas.

Subsidiaries

Van Oord's soil improvement subsidiary, Wicks, remained very active on projects in Europe, the Middle East, Abu Dhabi and Nigeria and achieved good results. Dravo, Van Oord's Mediterranean subsidiary, was awarded a large tender for the upgrading of beaches in Valencia, Spain. Dravo has significant experience in beach maintenance and nourishment and was previously involved in large-scale beach maintenance projects. Mackley, Van Oord's civil construction subsidiary in the UK, continued their coastal construction projects, predominantly in the south of the country.

Climate Adaptation Action Plan

The Dredging business unit plays an important role in Van Oord's Climate Adaptation Action Plan, which aims to provide solutions that protect coastal societies and ecosystems most at risk from climate change. These solutions include the construction of breakwaters and beach nourishment to enrich the environment and drive economic activity, thereby increasing the welfare of local communities. Where deemed beneficial, the ecosystem is further enhanced, for example through coral rehabilitation and the planting of seagrass.

In 2022 we hired a new director for project development to lead a dedicated team of specialists to work on new business activities, such as climate adaptation. Seeing that climate adaptation projects often require a short-term investment in order to achieve a long-term benefit, Van Oord is actively exploring exclusive partnerships with clients to develop new financing models. For example by partly funding a project through the development of sustainable tourism. In addition, we are discussing the opportunity of customised maintenance contracts with our clients. These are long-term contracts for sustainable port maintenance.

Outlook

We are optimistic about the future. Our order book is well filled, and we will continue to see more activity in 2023 as a result of ongoing projects, new awards and a growing tender volume.

As a frontrunner in sustainability, we expect growth over the years. Our investments in a more energy-efficient fleet, increasing use of biofuel and development of new business provide new opportunities for our business unit. As clients accelerate their carbon reduction efforts, they are increasingly considering their scope 3 emissions. We are uniquely positioned to help our clients achieve their sustainability objectives, making us a partner of choice for years to come.

In the long term, the expansion of the economy and global trade present many avenues for growth. We expect a high demand for marine infrastructure to accommodate larger vessels. In addition, worldwide the population is shifting from rural areas to urban areas, and particularly to cities in low-lying coastal areas. Those cities can only expand in the direction of the sea, requiring large-scale reclamation works.

Leveraging our solutions and expertise, our business unit's aim is to contribute to economic growth, help mitigate the effects of climate change and support the energy transition globally.



Trailing suction hopper dredgers *Vox Amalia* and *Rotterdam* are deepening the access channel and inner harbour at Harwich. More than 40% of the UK's container trade passes through Harwich Haven. After the dredging work is completed, the newest generation of container vessels will again have unrestricted access to the port.



Key figures

Revenue*

892
2021: 727

Order book*

1,419
2021: 1,417

Projects

89
2021: 84

Countries

31
2021: 28

* million euros



Offshore Wind

The construction of offshore installation vessel Boreas is on schedule. Its dual-fuel engines can run on methanol, a biodegradable and clean-burning fuel that reduces carbon emissions.

Activity in the offshore wind market remained very high in 2022. The energy crisis accelerated the energy transition, and countries around the world committed to large investments in wind energy. As a result, the Offshore Wind business unit continues to adjust its growth projections upward. Its improved operational performance in 2022, combined with the increasing tender volume point towards a brighter future.

The Offshore Wind business unit's operational performance improved in 2022, but a better balance between risk and reward is needed. Due to difficult market conditions and big price increases in the supply chain, there are insufficient returns both for Van Oord and for the sector as a whole. This resulted in a loss for Offshore Wind in 2022, but we see the balance between risk and reward improving in our order portfolio.

At the end of 2022, all projects in execution were under control. The complex Saint-Brieuc project in France was progressing well, thanks to the outstanding work of everyone involved. After experiencing extensive delays due to COVID-19-related travel restrictions and quarantine requirements, we neared the completion of the Greater Changhua project in Taiwan. Moreover, we reached financial settlements with both clients to partly offset the costs incurred as a result of technical challenges and delays.

Although Van Oord already anticipated and planned for an acceleration of the offshore wind market, the energy crisis that followed the invasion of Ukraine only intensified these developments. Our growth projections are materialising, and offshore wind is becoming a truly global business. A growing share of our business is also coming from outside of Europe. Clients all over the world are seeking our expertise and capabilities to achieve their wind energy ambitions. We carefully assess the opportunities in the market against the risks involved. Simultaneously, we continue to adjust our growth projections upward when required.

Awarded contracts

Van Oord was selected as the preferred contractor for the construction of the Hollandse Kust West wind farm and for

the construction of the Baltic Power wind farm. For the Baltic Power wind farm, we will be responsible for the transport and installation of more than 70 foundations, each consisting of a monopile and transition piece. The 1.2 GW wind farm will deliver renewable energy to more than 1.5 million Polish households.

In addition, Van Oord became the preferred contractor for the 300 MW Windanker offshore wind farm in the Baltic Sea. The Windanker project will become part of Iberdrola's Baltic Hub in Germany, which also includes the Baltic Eagle wind farm project awarded to Van Oord.

Vestas awarded our MPI Offshore organisation a contract for a maintenance and blade replacement campaign of their wind farms throughout Europe. The offshore installation vessel MPI Adventure is executing the work and is, together with the MPI Resolution, ideally suited for Operations & Maintenance (O&M) activities.

Ongoing and completed projects

Hollandse Kust Noord

We experienced a successful start of the Hollandse Kust Noord project. Van Oord is responsible for the engineering, procurement, construction and installation of the foundations and inter-array cables, and the transport and installation of the wind turbines. We installed the first monopile foundation in October 2022 and completed the installation of 70 monopiles in February 2023, approximately 10 weeks ahead of schedule. This is a testament to the expertise and experience of our project teams. To prevent erosion, we employed our fallpipe vessel Nordnes to install scour protection. The project is expected to be completed in 2023.

Saint-Brieuc

The Saint-Brieuc project progressed well in 2022. The extremely hard soil turned out to be a challenge to our equipment and our expertise, resulting in a 1-year delay. We overcame these tough conditions through extensive problem solving and testing. The project is now back on schedule and under control. By the end of 2022, 41 foundation piles and 24 jacket foundations were completed. In 2023 we will install an additional 22 foundation piles and 38 jacket foundations. The installation of foundations under these difficult circumstances was a first for Van Oord. Thanks to the learning curve, we are delivering true Marine ingenuity and completing one of our most complex projects.

Sofia

Preparations for the Sofia offshore wind farm were well underway in 2022. Van Oord was contracted for the engineering, procurement, construction and installation of the monopile foundations and inter-array cables. The design was completed and certified in 2022. We experienced significant cost increases related to COVID-19 and the war in Ukraine. Fabrication of the foundations and inter-array cables will begin in 2023. The Aeolus will perform the installation, which is scheduled for early 2024. In December 2022, work began to upgrade the Aeolus.

Baltic Eagle

The Baltic Eagle offshore wind farm project was under preparation in 2022. Van Oord was contracted by Iberdrola for the transport and installation of the foundations, and for the supply, transport and installation of the inter-array cables. The project involves the burying of cables in very soft soil, for which our trencher Dig-It will be customised. We will deploy our heavy-lift installation vessel Svanen to install the 50 foundations starting in summer 2023.

Taranto

We completed the installation of Italy's first offshore wind farm – and the first of its kind in the Mediterranean – in 2022. The Taranto Offshore Wind Farm is fully up and running. The wind farm consists of 10 wind turbines for a total capacity of 30 MW.

Greater Changhua

The Greater Changhua project was nearing completion by the end of 2022 after being severely hampered by COVID-19 and consequent travel bans. Van Oord is responsible for the transport, installation and burial of 111 inter-array cables and 3 export cables. The remaining activities will be carried out in 2023.

Vattenfall Operation & Maintenance

We are in the first year of a 4-year Operation & Maintenance (O&M) contract for Vattenfall. The project is being executed through our MPI Offshore organisation. We are providing jack-up and associated lift services for main component changes across Vattenfall's portfolio of offshore wind farms. The contract includes planned and unplanned maintenance campaigns for approximately 600 Vattenfall wind turbine generators.

Borssele V wind farm shares sold

The Two Towers consortium, which includes Van Oord, sold off its shares in the Borssele V wind farm in 2022. It is our strategy to divest our developments once completed. The project involved the testing and demonstrating of innovative technologies. In 2020 Van Oord successfully installed the world's first Slip Joint foundation in the Borssele V wind farm, a new method for the securing of turbine foundations, and introduced technologies for the protection of biodiversity surrounding the turbines. Our goal is to implement and scale up the Slip Joint method. We will continue to monitor and analyse the use of the Slip Joint at Borssele V for research and development purposes.

Sustainability

Utilising our knowledge of Building with Nature, Van Oord and its partners De Rijke Noordzee and Eneco installed 4 broodstock structures at the Luchterduinen wind farm. These oyster tables feature a special design and construction to provide a stable breeding place. Van Oord leveraged its knowledge of oyster tables from past offshore wind projects to develop this nature-inclusive solution. It is our ambition to apply this innovative method on a larger scale in order to contribute to the health of marine ecosystems while contributing to the energy transition.

Marine ingenuity Award

Our business unit received the Van Oord 2022 Marine ingenuity Award, an internal award which rewards ideas that are successful, innovative and sustainable and result in lower costs and/or more profit. We received the award for our Rehearsal of Concept (ROC) drill. By visualising and rehearsing complex projects during the tender phase using 3D-printed scale models of equipment, the project team gains a shared understanding of the project and its challenges early on. The ROC team organised 25 drills in 2022 and plans to scale up to 50 drills in 2023.

Outlook

In 2022 we saw a turnaround in the offshore wind market. The risk-reward balance of new tenders is much better than in previous years.

The projects that we are taking on today will start in 3 to 4 years' time. The long lead times of our projects enable us to forecast and plan ahead. We know what our outlook is for 2023 and for much of 2024. Based on that, we can confidently say that the Offshore Wind business unit will play a major role in the future of Van Oord. Our pipeline is filling up, which allows us to be more selective in the projects that

we take on. Getting The Right People in place and maximising the occupancy of our equipment remain key priorities moving forward. By continuing to lend our expertise to climate adaptation and the energy transition, we contribute to our strategy Building the Future Together.



The Saint-Brieuc offshore wind farm is being constructed in the Bay of Saint-Brieuc, 16.3 kilometres off the coast of Brittany. It is the first wind farm in France to be equipped with jacket foundations. Once operational, the wind farm will have a total installed capacity of 496 MW, capable of generating enough clean energy for 835,000 people.



Key figures

Revenue*

599
2021: 347

Order book*

1,263
2021: 1,523

Projects

20
2021: 30

Countries

9
2021: 8

* million euros



Offshore

To be able to protect and stabilise our clients' energy infrastructure in the North Sea, **flexible fallpipe vessel Stornes is loading rock in Norway.**

The Offshore business unit provides integrated solutions

for marine energy infrastructure. In 2022 the demand for infrastructure to accelerate the energy transition soared. In addition to preparing and executing our ongoing and newly awarded projects, we adapted quickly to the growing tender volume by expanding our resources. We saw recovery of our markets in the second half of 2022.

The energy infrastructure market has been volatile for years. When we drafted our business unit strategy in 2019, in line with our corporate strategy Building the Future Together, we anticipated a future much less reliant on fossil fuels. Within coastal energy infrastructure, we expected a shift from traditional to renewable energy. Within subsea rock installation, that shift was already underway.

Since the start of the war in Ukraine, that shift has accelerated and so has the growth of our markets. The tender volume in subsea rock installation grew exponentially in 2022, requiring us to be selective and to focus on the projects that best align with our strategy. The 2022 award volume was 1.5 times higher than in 2021. We won tenders for large offshore wind developments in the United States and large-scale maintenance projects on the North Sea. Our business unit also remains dedicated to delivering high-quality and innovative solutions for the traditional energy market, as oil and gas will remain part of the energy mix for the foreseeable future. In 2022, we were awarded contracts for large pipelaying projects in Guyana, Mexico and Australia.

The current market conditions, in which demand exceeds supply, enable us to engage in conversations with our clients about how we deliver value. We have built strong relationships with our clients over the years, and we are having open discussions about how we can best incorporate environmental, social and governance aspects into our work. We proactively pursue opportunities to accelerate climate actions and empower nature and communities, for example by including research-based solutions for enhancing biodiversity in our project proposals.

Awarded contracts

Gas to Energy

Van Oord and Subsea7 were awarded the Gas to Energy project in Guyana in 2022. The consortium scope covers the project management, engineering and installation of approximately 190 kilometres of natural gas pipeline in water depths of up to 1,400 metres. The project will positively contribute to the development of Guyana's electricity supply, which in turn will reduce Guyana's dependence on imported fuels. We will deploy our shallow water pipelay barge Stingray in water depths of up to 28 metres and begin operations in mid-2023.

Darwin Pipeline Duplication Project

In September 2022, Allseas awarded Van Oord and DEME the Darwin Pipeline Duplication Project located offshore Northern Australia. The joint venture will support the installation of a shallow water pipeline in Northern Territory waters. Van Oord will be responsible for trenching, backfilling and the installation of rock for the protection of the pipeline. Project preparations have begun.

Empire Offshore Wind SRI

Empire Offshore Wind, a joint venture between Equinor and BP, awarded the consortium Van Oord and Great Lakes Dredge & Dock the subsea rock installation project for the Empire Wind I & II offshore wind farms in the United States. Once completed, the wind farms will consist of up to 174 wind turbines with a total installed capacity of approximately 2 GW. The renewable power generated will be sufficient to supply around 1 million households in New York. Preparations are underway.

Projects in progress and completed

Ormen Lange

We are close to completing our subsea rock installation works for the development of the Ormen Lange gas field development, the second-largest gas field in Norway. The seabed depths vary between 850 and 1,100 metres. We are the first marine contractor to perform rock installation at these depths. The project is characterised by an uneven seabed and strong underwater currents and will be performed by flexible fallpipe vessel Stornes.

West White Rose

After being awarded the contract in 2019, we are now preparing for the execution of a high-precision subsea rock installation project for Canadian company Cenovus Energy. The installation works are part of the West White Rose development project off the east coast of Newfoundland, Canada. Preparations are underway and execution is scheduled for 2025. The Stornes will perform the work.

Energy project

The Energy project got underway in early 2022. The project came to a halt following the Russian invasion of Ukraine, and Van Oord has since phased out its activities in Russia. We did so professionally and with respect for our employees and long-standing relationships in the region. The safety and well-being of our staff has been our biggest priority. We were able to keep our people safe and employ our colleagues in other areas of the world. In retreating from Russia, we complied with all sanctions and reached a final settlement with the client.

Other projects

We remain heavily involved in the protection of our clients' existing energy infrastructure in the North Sea. We value our long-standing relationships with our clients, and our subsea rock installation activities there remain a priority.

We were awarded a large integrated pipe-laying project in Mexico for Petróleos Mexicanos. In addition, we executed a string of trenching and backfilling jobs in Saudi Arabia and Qatar.

In 2021 the TotalEnergies LNG project in Mozambique was suspended due to activities by insurgents. In 2022 we continued to monitor the security situation. We are in discussion about the conditions under which we will return. In addition, we continue our own social investment programme in the area to support the local population.

Safety

The Offshore business unit experienced a serious accident aboard the Stornes in 2022. An employee was severely injured while performing regular maintenance on the vessel. Our crew was quick and professional in their response, which was essential during the evacuation process. By the end of 2022 the employee was well on his way to a full recovery. We launched an extensive investigation so that we can learn from this accident and take preventative measures for the future. The accident occurred after 2 years of no lost-time injuries and has further intensified our focus on safety.

Outlook

Over the coming years, we expect to see significant growth. The acceleration of the energy transition and consequent uptick in the offshore wind market is already resulting in high demand for our subsea rock installation solutions. We also maintain a strong market position in the coastal energy infrastructure market.

We have a strong reputation and are known for our reliability and consistent quality. In addition, we are increasingly recognised and selected for our strong ESG focus. Our ability to deliver complex projects sustainably and with regard for local communities and environments is and will remain the distinguishing factor in the market.

As part of Van Oord's Ocean Health initiative, we are exploring various partnerships to promote the creation of healthy oceans by building, restoring and protecting marine ecosystems. Our focus is on creating a viable business model and developing scalable solutions in order to achieve meaningful impact on the environment.

As a result of the energy transition, we expect our activities for the oil and gas sector to slow down towards 2030. This will be offset by the growth of the offshore wind market. Our strong position in niche segments such as trenching and backfilling also contributes to our growth projections, as our expertise is needed to bring all types of energy to shore. The growth that we have been projecting is starting to materialise. Our order books for 2023 are well filled.

Van Oord is preparing for an offshore project in Guyana, where we will install 75 kilometres of pipeline nearshore and construct the shore approach, utilising horizontal directional drilling methodology. Van Oord will deploy its shallow water pipelay barge Stingray.



Key figures

Revenue*

 **208**
2021: 191

Order book*

 **838**
2021: 566

Projects

 **51**
2021: 47

Countries

 **14**
2021: 11

* million euros



Netherlands

Van Oord and its consortium partners are nearing the completion of the Twente Canals project, which involves the **widening of the waterways** to make the ports of Almelo, Hengelo and Enschede more accessible.

Our activities remained at a high level. In addition, we were awarded several large projects in which innovation and sustainability play a key role. Throughout 2022 our business unit continued to navigate the nitrogen crisis in the Dutch construction and infrastructure markets.

Based on the market developments and trends, we expect that our investments in zero-emissions equipment and ways of working will make us a preferred partner to meet our clients' sustainability targets. The Porthos ruling, which reversed the partial nature permit exemption for construction projects, intensified the uncertainty in the market. As a result, the tender volume remained low.

The Netherlands business unit made significant progress on numerous complex infrastructure projects. Our high level of activity led to an increase in revenue. In December 2022 the Dutch Ministry of Infrastructure and Water Management agreed to partially compensate contractors involved in large (DBFM) infrastructure projects for cost increases. This decision was important in preventing a significant negative impact on our 2022 financial result. DBFM projects continue to put pressure on our financial results. In addition, newly awarded projects align with our strategy Building the Future Together and sustainability goals.

The nitrogen crisis remains our business unit's biggest challenge. In July 2021 the Dutch government approved a partial nature permit exemption for construction projects. In November 2022 this partial exemption was reversed. In what is known as the Porthos ruling, the Council of State determined that the exemption is not legally permissible under European nature protection laws. Consequently, our clients must apply for nature permits for each project and provide proof that the proposed construction project's nitrogen emissions will not have any significant consequences for nature. While the ruling does not equal a total construction ban in the Netherlands, it intensifies our clients' hesitation to bring tenders to market.

Awarded projects

Hansweert dyke reinforcement – realisation phase

After the successful delivery of the design phase of the

Hansweert dyke reinforcement project, the Scheldestromen Water Authority also awarded the realisation phase of the project to the Van Oord-KWS consortium. The objective of the project is to reinforce the Hansweert dyke over a length of more than 5 kilometres to meet current safety standards and accomplish the province of Zeeland's 2050 coastal defence goals. The project is complex as the dyke borders a protected Natura 2000 area, and a section of the dyke is located near a residential area. Preparations were underway towards the end of 2022.

Rijkswaterstaat value-based maintenance contract

Rijkswaterstaat awarded Van Oord and consortium partner Rebel a long-term contract for floodplain maintenance along the branches of the Rhine river. Floodplain maintenance is key to protecting 4 million people against flooding and to maintaining healthy river ecosystems. The award concerns a value-driven maintenance contract, a new contract type that incentivises innovation. We will work in partnership with Rijkswaterstaat to deliver maximum value within the project objectives and budget. The award demonstrates Rijkswaterstaat's confidence in our ability to apply Marine ingenuity to climate adaptation challenges.

Ongoing projects

Afsluitdijk

Together with our consortium partners BAM, Rebel and Invesis, we are working on a large-scale renovation of the Afsluitdijk. The 90-year-old, 32-kilometre-long Afsluitdijk plays a major role in climate adaptation by protecting a large part of the Netherlands against flooding. Sustainable design and materials and the reinforcement and building of discharge sluices powered by renewable solar energy contribute to our corporate strategy and align with pillar 1 and 2 of our Sustainability strategy: Enhancing the energy transition and Accelerating climate actions. The dyke is a Dutch engineering icon, and Van Oord is proud to contribute to its future.

The project was operationally under control and progressed on schedule in 2022. The renovation of the dyke and motorway were completed. In addition, we reached a major milestone with the signing of the Availability Certificate, which triggers the reimbursement of pre-financing arrangements made by Van Oord and its partners. The construction of the discharge sluices and pumps remains ongoing.

A16 Rotterdam motorway project

We have been building a new, 11-kilometre-long motorway for Rijkswaterstaat together with our partners in the De Groene Boog consortium. The objective of the project is to ease congestion on the A13 and A16 motorways and improve the accessibility and quality of life in Rotterdam and the surrounding region. The project progressed steadily in 2022 and is operationally under control. The energy-neutral Rottemeren Tunnel was dry and sealed by the end of 2022. The Terbregseplein viaduct, which is being constructed using an innovative sliding construction to prevent traffic disruptions, now extends across the A20 motorway.

ViA15

The stalemate with regards to the ViA15 project, which connects the A15 motorway to the A12 near Arnhem, continues. The most recent court hearing on the future of the project, which was awarded to Van Oord and its partners in 2020, took place on November 22, 2022. A ruling is expected in early 2023. The outcome of the ViA15 project is not just important to our company. A negative verdict will have a ripple effect on the Dutch infrastructure market. The method used to calculate the nitrogen emissions of the project and the Natura 2000 areas it takes into account, are key factors in the ruling.

Tiel-Waardenburg dyke reinforcement

The Mekante Diek consortium, which includes Van Oord, Dura Vermeer and Ploegam, was awarded the dyke reinforcement project in 2021. We spent 2022 on preparations. We have committed to carrying out the project with zero emissions in line with our strong focus on sustainability. In order to deliver on that commitment, the consortium invested in a charging facility. The charging facility is needed to charge the high-capacity battery packs that power the electric equipment. The consortium has partnered with Betuwewind for the operation of the loading facility, which will not only be accessible to Van Oord and its partners, but also to the general public. Betuwewind will make use of renewable solar and wind energy to power the facility.

Strong Lekdijk (Sterke Lekdijk)

The Strong Lekdijk project was progressing on schedule in 2022. Water authority De Stichtse Rijnlanden awarded the

project to 3 Innovation Partners: Mourik Infra, Lek Ensemble (a consortium which consists of Heijmans Infra, GMB Civiel and de Vries & van de Wiel) and Van Oord. The goal of the project is to reinforce the dyke along the Dutch River Lek over a length of 55 kilometres using innovative and sustainable methods. For this reason, the client chose a new contract form, an innovation partnership. Van Oord and its Innovation Partners have been working closely with the client throughout the design and engineering phase of the project. As all partners share the sustainability ambitions of the water board, we have agreed to executing the project with zero emissions.

Upgrading Twente Canals

Van Oord and consortium partners Hakkers and Beens are nearing the completion of the Twente Canals project, which involves the widening of the waterways to make the ports of Almelo, Hengelo and Enschede more accessible. In 2022 price increases led to higher-than-projected costs. We were able to agree on new terms with our client Rijkswaterstaat. As a result, the project continued as planned. Our subsidiary Paans Van Oord played a major role in the project over the last year.

Construction of quays in Amalia Harbour

We made progress in the construction of a large new quay as part of the expansion of the Amalia Harbour in Rotterdam. By the end of 2022, Van Oord and its consortium partners had installed the combi walls for the deep-sea and inland vessel quays and continued with the pile foundation for the rear crane track of approximately 1.8 kilometres. In addition, the consortium had progressed the casting and backfilling of concrete sections.

Completed projects

Broad Green Dyke (Brede Groene Dijk)

The Broad Green Dyke project was completed in 2022 and was named the Project of the Year by the Dutch Delta Commissioner. The award recognises the project's exemplary role in the effective and innovative execution of the national Delta Programme. The project was commissioned by Water Board Hunze en Aa's and awarded to Van Oord in partnership with Boskalis and EcoShape. Over the course of several months, we used an innovative and nature-friendly approach to reinforce the dyke along the Dollard bay. Instead of constructing the dyke out of asphalt or clay from far-away sources, clay made of dried and ripened sediment from the nearby Eems-Dollard estuary was used. The result is a sustainable and circular construction.

Averijhaven depot

The Averijhaven depot project in IJmuiden was completed in 2022. Van Oord removed the dredged silt from the Averijhaven

and transported the material to the Slufter, a 250-hecare silt deposit on the Maasvlakte. Our work sets the stage for the transformation of Averijhaven into a new energy port for the construction and maintenance of offshore wind farms.

Sustainable equipment

The Netherlands business unit is developing expertise and equipment to work in a cleaner and more sustainable way. In 2022 we commissioned our second fully electric hydraulic excavator and ordered 4 additional electric excavators. Van Oord truly is a front-runner in the establishment of a fully electric fleet. We are working hard to electrify construction sites and reduce CO₂ and nitrogen oxide emissions during project execution. The Tiel-Waardenburg dyke reinforcement is an important case study. The interest in electrified construction sites is growing, and we are actively exploring opportunities in the market.

Subsidiaries

Our subsidiaries Paans Van Oord and Van Oord Grondstoffen are both making substantial contributions towards our business unit. Paans Van Oord serves the Dutch market with specialist equipment for marine works. Their expertise and equipment played a major role in the execution of the

Twente Canals project. Van Oord Grondstoffen is responsible for activities related to sand extraction, transport and dry earthmoving in the Netherlands. The subsidiary manages the recently commissioned and purchased electric excavators and wheel loaders that are part of our transition to net-zero emissions.

Outlook

We expect our activity level and revenue to remain stable over the coming year. The ongoing nitrogen crisis, combined with the impact of cost increases on clients' budgets, is likely to impact the tender volume moving forward. Van Oord is well positioned to overcome these challenges. Our proven ability to execute projects sustainably and implement innovations, strengthens our position in the market. The awarded contracts for innovative dyke reinforcement projects are evidence of this. Moving forward, we will continue to execute our strategy. In addition, we will evaluate potential projects carefully for their risk-reward ratio. The emergence of new contract types, which prioritise value over price, are cause for optimism. Delivering value is what we do. That remains our focus moving forward.



In December the Afsluitdijk project reached an important milestone. Consortium Levvel obtained the Availability Certificate, and the renovation of the dyke and motorway were completed. From 1 January 2023, the maintenance period of 25 years started for the completed parts of the project.



Key figures

Revenue*

322
2021: 252

Order book*

780
2021: 847

Projects

31
2021: 26

Countries

1
2021: 1

* million euros

Strategy

and value creation

2

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Offshore installation vessel Aeolus will **get a major crane upgrade**. By installing a new, longer boom, the vessel will be ready to handle the newest generation up to 15 MW turbines for offshore wind projects.



Markets and relevant trends

We look back on a year in which we built momentum to realise our strategy, Building the Future Together. We experienced a recovery of our markets, growth in both revenue and award volume, have recovered our profitability and see an increase in margins and adequate risk provisions in our order book and tenders.

We built the foundation to grow and return to healthy profit levels. 2022 was a dynamic year for the world and for Van Oord. Our markets continued to recover as COVID-19 restrictions loosened around the globe. The invasion of Ukraine resulted in record-breaking inflation and supply chain disruptions. Nevertheless, our end-markets proved resilient, and jointly with clients we responded swiftly and professionally to manage the impact on our business. The offshore wind market experienced increased growth opportunities, as countries set ambitious goals to accelerate the transition to renewable energy and to reduce their dependency on oil and gas.

Van Oord's recovery and positive prospects are the result of hard work, committed people and a purpose-led strategy. Not only have we invested in the required vessels, equipment, people and expertise, we have developed into an organisation that can manage complex projects, both from a technical, stakeholder and commercial perspective, to create a better world for future generations.

Supply chain disruptions and high inflation

The invasion of Ukraine has resulted in tremendous human suffering, as well as severe economic disruption. In response to the invasion and the sanctions imposed, we terminated a large-scale dredging project in Russia and phased out our activities in Russia. We did so in full compliance with all applicable sanctions and with respect for our employees and long-term relationships.

The war has also impacted our supply chain. Unavailability of materials and steep price increases drove up project costs and heavily impacted our profit levels. We are in ongoing conversations with several clients to mitigate the financial impact. The high inflation that dominated global markets was both unprecedented and unforeseen.

Dredging market

The dredging market continued to recover in 2022 despite setbacks as a result of the war. The Dredging business unit is benefiting from economic growth and an increase in maritime trade volumes. Harbours are investing in marine infrastructure to accommodate larger commercial vessels, which requires dredging. The business unit is involved in several harbour deepening and widening projects, and we expect more activity in this area. Additionally, the impacts of climate change are driving growth in the dredging market. The population shift from rural to urban areas, and particularly to cities in low-lying coastal areas, is resulting in large-scale reclamation projects to enable the expansion of those cities. Our business unit activities are also key to climate adaptation projects that protect communities from rising sea levels and will play a major role in addressing the world's challenges for years to come.

Offshore wind market

The war in Ukraine intensified global concerns about the reliance on oil and gas. The EU has since taken action to accelerate the transition to alternative and renewable energy sources. The Netherlands, Belgium, Germany and Denmark co-signed the Esbjerg Declaration, committing to replacing fossil fuels with European renewable energy from the North Sea, including offshore wind, and increase offshore wind capacity to at least 150 GW by 2050. We are already seeing a substantial increase in the number and size of tenders for offshore wind projects. This increased demand will place even more pressure on the supply chain and could jeopardise the targets set in the Esbjerg Declaration. Nevertheless, governments' ambitious plans in offshore wind will lead to a strong development of the market and result in long-term growth potential.

Offshore market

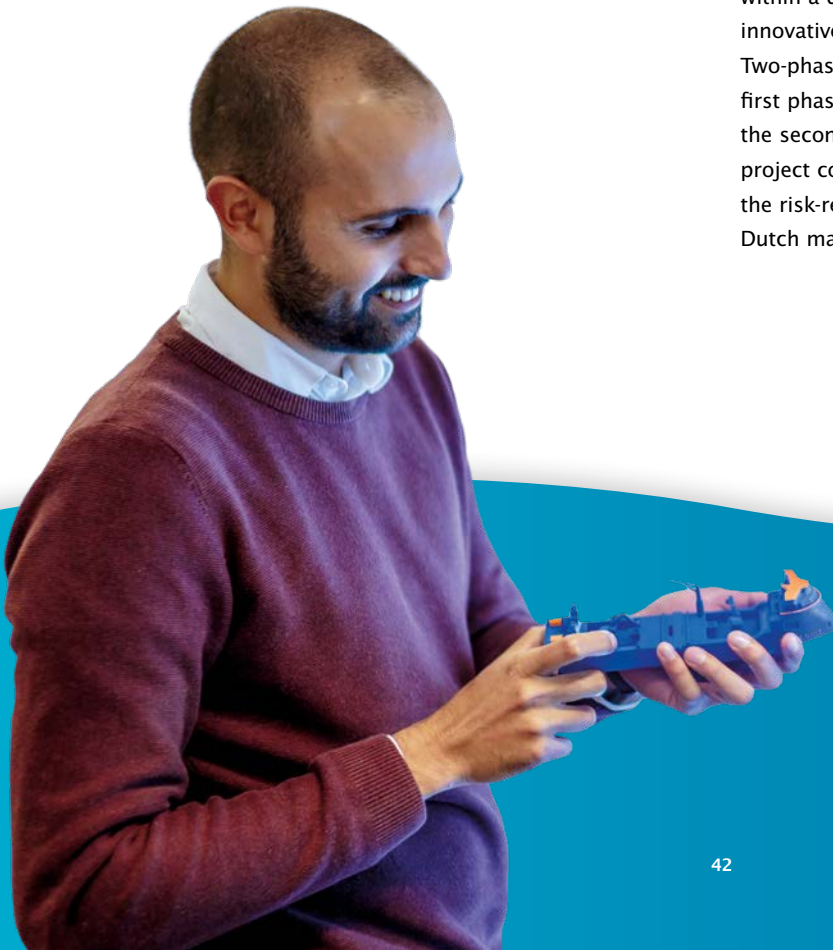
The acceleration of the energy transition has triggered rapid growth in the energy infrastructure market. The demand for our Offshore activities has surged. Van Oord's subsea rock installation activities will play a major role in the development of energy infrastructure for offshore wind farms in Europe and around the world.

The demand will put pressure on the Offshore business unit's capacity. In addition, our coastal energy infrastructure activities will help facilitate the transition to renewable energy. We expect an increase in demand for pipe laying, trenching and backfilling activities. These activities are essential to bringing energy to the shore. From oil and gas, which will remain important to the world's energy mix for years to come, to biofuels and clean-burning fuels like methanol and hydrogen.

The Dutch construction market

The nitrogen crisis continues to disrupt the Dutch construction market. As a result, the tender volume remained low. The Porthos ruling, which reversed the partial nature permit exemption for construction projects, intensified the uncertainty in the market. Our clients are also hesitant to bring tenders to market due to price increases. The unpredictable nature of inflation makes it difficult to estimate project costs, and our clients are concerned about their budgets. In addition, supply chain issues as a result of the war in Ukraine led to a shortage of construction materials such as concrete, disrupting ongoing projects.

A positive trend is the emergence of new contract types. These include value-driven maintenance contracts under which the contractor works to deliver the highest value within a defined budget. These contract types incentivise innovative solutions, which aligns with our strategy. Two-phased contracts are emerging as well, in which the first phase is dedicated to designing and estimating, and the second phase is awarded once an agreement on the project cost is reached. These types of contracts improve the risk-reward balance of construction projects in the Dutch market and phase out the high-risk (DBFM) projects.





By **visualising and rehearsing** complex projects during the tender phase **using 3D-printed scale models** of equipment, our project teams gain a shared understanding of projects and their challenges early on.

Stakeholders and materiality matrix

Every 2 to 3 years, we conduct an extensive materiality assessment

to understand which environmental, social and governance themes are most important for Van Oord. This assessment takes into account the relevance of each theme for Van Oord as well as our ability to impact or be impacted by each theme. In 2022 we improved our survey method, included a more diverse group of stakeholders and updated our materiality matrix.

We consider it important to evaluate our stakeholders' areas of interest on an annual basis. We completed an extensive materiality assessment in 2020 and followed up the results of the assessment with surveys in 2021 and 2022. The world and the markets we operate in are changing rapidly. As a result, we expect to see a shift in our stakeholders' priorities over time. The insights from the materiality assessments are used to refine and guide the implementation of our strategy, and inform about our environmental, social and governance (ESG) reporting and communication efforts.

Improved method

In 2022 we set out to improve our survey methods. We expanded our external stakeholder group, which now includes financiers, partners and coalitions, government bodies, clients, suppliers, shareholders, NGOs and research institutes. We selected interview and survey candidates who are representative of each group. The expanded stakeholder group reflects the great diversity of audiences we interact with and includes both parties who have engaged extensively with Van Oord and those who have not.

In previous years, stakeholders commented about the overlap between surveyed topics, as well as the large number of topics included in the survey. Based on their feedback, we combined several themes, reducing the total number from 29 to 22. In order to draw comparisons, we retroactively applied this new approach to previous years' survey results.

We conducted an online survey with external and internal stakeholder groups. We reduced the length of the survey by asking participants to select 3 themes for each category (Economic, Social and Environment) that they considered most relevant to society. Next, they were asked to evaluate the business impact by and on Van Oord for these themes. After evaluating their shortlist of 9 material themes, stakeholders had the option to submit the survey or continue evaluating additional material themes.

In addition, we conducted 18 extensive external stakeholder interviews in order to address the material themes in more detail.

Outcomes

The materiality assessment revealed a significant shift in the priority topics between 2021 and 2022. Priority topics are rated as of very high importance to Van Oord. Out of the 5 priority topics for 2021, only climate change adaptation & mitigation remained a priority topic in 2022. All other themes – health, safety, Building with Nature and greenhouse gases (GHG) and air emissions – went from very high to high. Topics that increased in importance include: innovation, responsible business conduct, social and community impact, biodiversity & ecosystems and energy transition.

Materiality matrix



Enhancing the energy transition



Accelerating climate actions



Empowering nature & communities



Achieving net-zero emissions by 2050

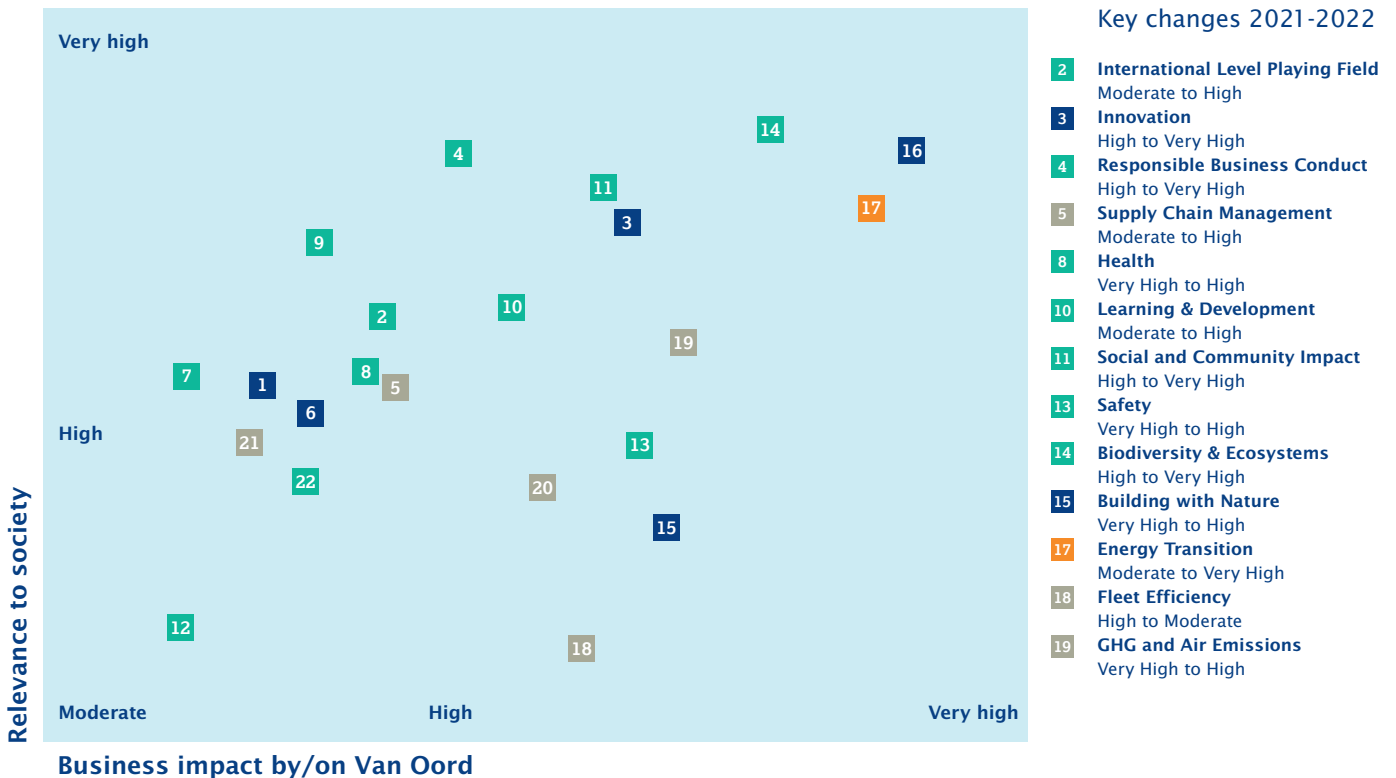
17 Energy Transition

- 1 Digitisation
- 3 Innovation
- 6 Sustainable Financing
- 15 Building with Nature
- 16 Climate Change Adaptation & Mitigation

- 2 International Level Playing Field
- 4 Responsible Business Conduct
- 7 Diversity & Inclusiveness
- 8 Health
- 9 Human Rights
- 10 Learning & Development
- 11 Social and Community Impact
- 12 Mobility
- 13 Safety
- 14 Biodiversity & Ecosystems
- 22 Water Use

- 5 Supply Chain Management
- 18 Fleet Efficiency
- 19 GHG and Air Emissions
- 20 Sustainable Fuels
- 21 Circularity

Read more in chapter 2 (Sustainability)



Our stakeholder interviews provided insight into the reasons for these shifts. In 2021 stakeholders expressed significant concern about the COVID-19 pandemic. In 2022 the impact of mandatory quarantines, testing requirements and other policies on the business and our people was less severe. As a result, the topics health and safety dropped from very high to high.

The geopolitical climate contributed to the other shifts in the priority list. Innovation received the highest rating in 2022. Stakeholders commented that they see innovation as the key to solving today's biggest challenges. Innovation is necessary for accelerating the energy transition. Innovative solutions are also crucial for combatting climate change and for maintaining and enhancing biodiversity and ecosystems. In short, innovation is seen as a way to address many of our material topics.

The increased importance of responsible business conduct can be attributed to the risks and opportunities of operating internationally. Stakeholders commented that there is risk in doing business all over the world, from the risk of bribery to human rights violations, and that it is increasingly important to have strict procedures in place and to follow those procedures carefully. Stakeholders also noted that responsible business conduct goes beyond compliance with international rules and regulations. They see ESG as an opportunity: our international presence enables us to have a positive impact on the world. The increased importance of the material theme social and community impact underscores stakeholders' perception of ESG as an opportunity. Stakeholders talked about the importance of involving the local community in each project and taking their interests into account.

Overall, the results show a continued interest among stakeholders in materiality topics related to sustainability. Climate change adaptation & mitigation is still seen as the area in which we can have the biggest impact. Our core business activities help absorb the impact of climate change, make communities and environments more resilient to future impacts of climate change and support the transition to climate neutrality. Within sustainability, priorities are shifting slightly, demonstrated for example by greenhouse gases and air emissions and Building with Nature dropping from very high to high. These outcomes demonstrate that our Sustainable Earth Actions (S.E.A.) Programme and sustainability efforts across Van Oord are focused on the right topics. The Sustainability chapter in this report provides an overview of our sustainability work.

Addressing dilemmas

Stakeholders stress the importance of ESG for Van Oord and the required speed to stay in line with expectations. As part of our corporate sustainability strategy, we are committed to accelerating climate actions, enhancing the energy transition, empowering nature and communities and achieving net-zero emissions by 2050 with intermediate goals that are in line with the Paris agreement and the Science Based Target initiative. We have developed and are in the process of executing our strategic roadmap. However, due to the nature of our business, the impact of strategic and investment decisions can take years to materialise. An example is the renewal of our fleet: vessels remain in service for 20+ years, and the lead time for building and operationalising new vessels is multiple years. We are also dependent on the global supply chain and geopolitical developments that impact the supply chain. This and other dilemmas are regularly addressed and discussed both internally and externally, for example with our Sustainability Advisory Board.

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, driver for change. The Sustainability Advisory Board held three meetings in 2022. The current board consists of Mss Demmers, Van Golstein Brouwers and Messrs Balkenende and Van de Gronden. The board discussed Van Oord's corporate strategy, Building the Future Together. They also advised on the main features of the sustainability programme, especially surrounding the implementation of the new business initiatives as Ocean Health, climate adaptation and the roadmap towards net-zero emissions by 2050.

Value creation model

Van Oord's value creation model visualises how we deliver long-term value for our clients, society and the environment. The model highlights the assets and resources – inputs – that drive our business model and enable us to perform our activities. The value we create through those activities are the outputs. We have aligned the impact of our business model with key material topics and the UN's Sustainable Development Goals (SDGs).

Construction of the energy neutral A16 motorway Rotterdam, the Netherlands to improve accessibility and quality of life in the region.



Value creation model

Input



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.

- 5,243 employees, 89 nationalities
- Trained and highly motivated employees



Knowledge

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

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



Global coverage

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



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 985 million equity
- EUR 178 million net debt
- EUR 4,300 million order book



Social impact & relationships

We are a family-owned company and as part of our purpose we care about creating a sustainable world for future generations. Customer intimacy and partnering are key. Customer intimacy and partnering are key.

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



Natural capital

Our business makes use of natural resources.

- Fuels
- Sand and rock
- Energy
- Steel

Business model

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 by exceeding client expectations through our synergistic portfolio of maritime businesses.



The Right People



Sustainability



Digital

Our drivers



Climate change

mitigation strategies and climate change adaptation.



Maritime transport

infrastructure to enable global supply chains.



Realise offshore energy infrastructure to meet rising energy demand.



Create space for growing (coastal) urbanisation across the globe.

Activities



Dredging



Offshore Wind



Offshore



Netherlands

▶ **What**



People

We offer a safe working environment for all our people as well as professional and personal development. We want to be recognised as an attractive employer.

- 5,047 participants in classroom training courses
- 6,953 participants in e-learning training modules
- 0.51 Total Recordable Injury Rate (TRIR)
- 0.15 Lost Time Injury Frequency Rate (LTIFR)



Knowledge

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

- Partnering for new innovations
- Sharing our knowledge via our Climate Risk tool



Global coverage

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



Financial capital

Our objective for ROCE is 10%. We create cash flow from operational, investment and financing activities.

- 4.7% return on capital employed
- EUR 19 million net cash flow
- EUR 35 million dividend



Social impact & relationships

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 1,537 suppliers which we have assessed on environmental, social and corporate governance risks



Natural capital

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.

- ISO certifications for quality, environmental, energy, health and safety management
- Dedicated Climate Adaptation Action Plan
- Dedicated Ocean Health programme



Value for the client



Continuity of our company



Economic development, employment opportunities and social development



Enhancing the energy transition



Accelerating climate initiatives



Empowering nature & community



Achieving net-zero emissions in 2050

These 8 goals reflect Van Oord's main impact areas:

7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



17 PARTNERSHIPS FOR THE GOALS



Corporate strategy

As a family-owned company, we think it is vital to have a long-term perspective, especially in turbulent times.

That is why we have a 10-year corporate strategy and corresponding investment plan. The start of this decade has been stormy.

Following 2 years of uncertainty as a result of the COVID-19 pandemic, 2022 proved to be yet another volatile year filled with unforeseen events. Among the most impactful global developments are the war in Ukraine, rising inflation, the energy crisis, increased social unrest in different areas of the world, record droughts and high temperatures, and forest fires and floods. Throughout this challenging year, our strategy Building the Future Together guided us in making the right decisions and helped us stay focused on our key strategic priorities.

Focus on profitability and control

Due to challenging market conditions and increased project complexity during the first years of our 2030 strategy, we have been exposed to risks and knock-on effects. After experiencing several major project setbacks in 2021, our focus in 2022 was on restoring profitability and operational control. Corporate-wide dialogues on lessons learned made us more aware of the core qualities and associated pitfalls of our collective behaviours and their impact on the risk-reward balance. During the year, structural improvements were implemented. These include:

- The kick-off of a high-performance leadership development programme;
- Embracing the 'balance of powers' in our Stage Gate process;
- Introduction of risk committees on a corporate level and within our business units;
- Further embedding of quality in our way of thinking and working;

- Implementation of a more standardised and quality-based tendering process and priority setting;
- Introduction of Rehearsal of Concept (ROC) drills as an integral part of project preparation.

In the meantime, we moved our Founding the Future programme forward. The programme, designed to build the foundation for improved data management, focuses on supporting the business in managing projects from the tender to the realisation phase. At its core, Founding the Future is about the transition to data-driven Estimating and Integrated Project Control. The optimisation of our end-to-end process will result in more accurate estimates and forecasts, a higher tender win rate and improved overall profitability and performance.

Strategy in motion

Next to focusing on profitability and operational control, we see our growth strategy materialising. We reported improved order book margins and increased tender volumes in all our end markets. In 2022 we witnessed a tipping point in the offshore wind market. The impending shortage of installation capacity has resulted in more favourable market dynamics. The position of contractors has improved and margins and conditions in recent tenders have become healthier. Offshore Wind reported strong revenue growth and an award volume in line with average revenue levels. 2022 was also a unique year for our geographical coverage. In the company's 154 years history, 2022 marks our first contract wins in the United States. We are proud to contribute to the acceleration of the United States offshore wind market.



Corporate strategy

Building the Future Together

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

We deliver long-term stakeholder value 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



Digital

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

Dredging continued to recover and reported revenue growth for a second consecutive year. We see that our 2030 strategy is paying off. The success of integrated project scopes (e.g., Fehmarnbelt), focus on long-term maintenance projects (e.g. maintenance contracts in Germany and UK), and the awarded project Addu City underlines our focus on climate adaptation. Our Dredging strategy 2030 is materialising.

The need for energy security and new supply sources changed the dynamic and outlook in the offshore oil and gas market. Consequently, our strategy for our Offshore business unit was updated. 2022 demonstrated that we are able to leverage our firmly established strong market position in global subsea rock installation in the offshore wind market. We recognise the global Energy Trilemma and the need to find balance between energy security, affordability and sustainability. We support our clients in addressing all 3 dimensions. The awarded contract in Guyana illustrates that we are committed to both enhancing the energy transition, as well as supporting energy security and affordability. The project will also provide a new boost to our Offshore coastal energy infrastructure activities. We closed the year with the mobilisation of the Stingray towards South America.

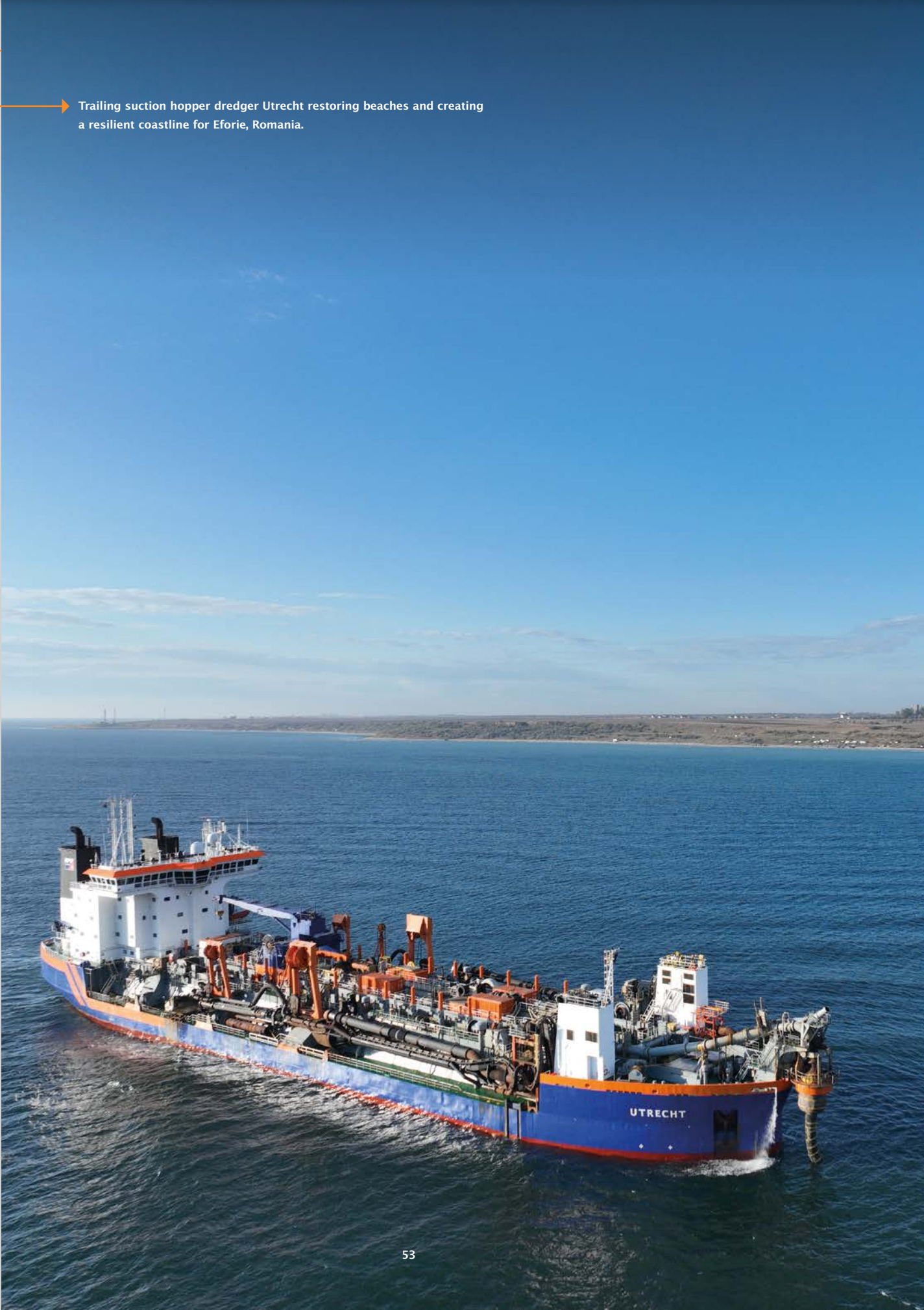
Within the Netherlands business unit, we continue to work towards an improvement of profitability by focusing on our core competencies. Our efforts are supported by shifting market dynamics. We embrace the development of two-phase contract types in the Netherlands and the improved dialogue between Rijkswaterstaat and civil contractors on the risk-reward balance of large infrastructure (DBFM) projects. Nevertheless, 2022 was another challenging year. The nitrogen crisis intensified the uncertainty in the market. We are committed to staying active in the Netherlands and investing in sustainable alternatives to reduce CO₂ and NO_x emissions during project execution. In 2022 our continued investments in the electrification of our heavy equipment resulted in the addition of several electric excavators, electric wheel loaders and battery packs to power the electrical equipment on site.

Seizing new opportunities

Another cornerstone of our strategy Building the Future Together is our commitment to investing in new business initiatives. Within Dredging, our climate adaptation and customised maintenance activities are gaining more traction. In Ocean Health, the first pilot projects have been conducted. In Offshore Wind, we are testing the waters in floating renewables, a market we expect to grow exponentially. In addition, we have experienced increased interest in support throughout the asset lifecycle from existing clients in Offshore Wind, Dredging, and the Dutch earth, road and waterworks sector. Together with our partners, we have introduced a new approach to asset integrity management services for projects in the Netherlands. We expect the development of this approach to expand to Dredging and Offshore Wind clients in the following years.

Although we cannot predict the challenges that we will encounter in 2023, we have confidence in our purpose-led and performance-driven strategy supported by a long-term investment plan. Our strategy provides us with the assurance that we can effectively address unforeseen obstacles and successfully seize new opportunities. Through this strategy we will build the future together.

Trailing suction hopper dredger Utrecht restoring beaches and creating a resilient coastline for Eforie, Romania.



The Right People



People are at the heart of our organisation and vital to realising our strategy Building the Future Together. After designing our HR strategy The Right People in 2021, we began putting our vision for a high-performance organisation into action in 2022.

The Right People

The Right People is our 2025 HR strategy, an essential part of Van Oord's strategy Building the Future Together. It is rooted in our belief that The Right People are key to achieving a high-performance organisation and to fulfilling our purpose. We have developed the strategy with all employees in mind: our crew, staff and project employees and temporary employees around the globe.

The HR strategy is based on 3 pillars:

- International, diverse and inclusive organisation. We are able to anticipate strategic talent needs and build a more international, more diverse and more inclusive organisation. We anticipate our clients' needs, adapt to new business conditions and manage complexity across our projects.
- High-performance and secure base culture and leadership. Rooted in our values, we succeed by working together to create a culture that is inspiring, adaptive, open and results oriented. We thrive through continuous learning; recognising that our failures and successes give us insight to continuously improve ourselves. We foster an inclusive culture where we embrace diversity and different perspectives, where we care for each other and at the same time dare to make hard decisions.
- Attractive employee experience. Through our purpose, values and culture, we attract, develop and retain top talent who lead us to outperform expectations of our clients and plan for our future. We empower our employees and support their continuous development and career growth.

2022 was a transitional year in which we translated the 3 pillars and multi-year roadmap into concrete initiatives. The Lessons Learned programme and the outcomes of the Organisational Health Index (OHI) served as valuable input to define these initiatives.

Lessons Learned programme

In 2022 we launched the Lessons Learned programme, which brought together a multi-disciplinary group of employees to learn from past experiences and improve our performance. The programme covered 3 areas of opportunity: risk management, quality and our way of working. To improve on all areas leadership is key, this resulted in a renewed focus on leadership; by focusing on secure base leadership, we will create a safe environment which will contribute to a high-performance organisation.

Our purpose is to create a better world for future generations. Living up to this purpose requires an environment where employees can be their best selves and are encouraged to pursue professional and personal development opportunities. People leaders play the most direct role in empowering colleagues and creating a high-performance team. We aim to equip leaders with the right skills to foster psychological safety and facilitate the development and growth of their teams. In order to achieve this, we embed Secure Base Leadership (SBL) in the organisation. This is how we create a playing field that sets leaders and teams up for success, a high performance organisation, aligned with our Van Oord values and behaviours, and with the SBL principles. In 2023 the focus will be on spreading Secure Base Leadership to all people leaders, supported by our Leading @ Van Oord programme, which is based on IMD content.

Organisational Health Index (OHI)

The OHI measures our organisational health and enables us to monitor our progress towards our strategy The Right People. An independent partner conducts the survey and benchmarks Van Oord against peers and other industry leaders to provide insight into our strengths and areas of improvement. The survey asks employees to rate Van Oord on

a range of topics, from leadership to work environment. It also aggregates their responses into an employee Net Promoter Score (eNPS) which measures the extent to which employees positively promote Van Oord as an employer to others.

In 2022 we scored an eNPS of 22.9, which is a significant improvement compared to the previous year and puts us ahead of the industry benchmark of 17.0. The survey revealed that internal communication and remuneration have been indicated by our employees as topics to improve on. We significantly improved on leadership, professional development and well-being. Employees indicated that leaders are showing more inspirational leadership, that they are more optimistic about the development opportunities available to them, and that they have a more positive perception of workload and work-life balance. These remain important areas of focus for the coming years and are embedded in our People strategy. In addition, the survey indicated that people are proud to work at Van Oord and are inspired by our vision for the future. Employees also praise Van Oord as one of the sector's most caring and social employers.

Initiatives

In 2022 Van Oord's top management completed a leadership programme through the International Institute for Management Development (IMD). The programme helps executives develop the right skills for creating a high-performance culture. The objective of the programme is to enable our leaders to create a secure base for their teams and to lead the organisation to high performance.

We expanded our portfolio of development and learning programmes to improve the employee experience. We launched Catalyst, a mid-career talent & leadership development programme and rolled out the new GoodHabit e-learning catalogue for all employees globally. In addition, we focused on further developing our expertise and competence via the Traineeship, Commercial Excellence, Project Management Curriculum and Safety Leadership programmes. 3,225 employees were enrolled in professional development courses, and 6,953 employees participated in our e-learning training modules in 2022. We increased salaries by 4% in November to partly compensate for the rising inflation. This is in addition to the regular increases that took place in early 2022 and will take place in 2023.

Employees

Van Oord has more than 5,200 employees (in FTE) worldwide. In 2022 we added over 500 new employees (in FTE) to our workforce. Women represented 15.3% of the workforce, an

increase from 14.6% in 2021. We succeeded in bringing on new and more diverse talent. Employees under 30 now represent 13.4% of the population compared to 11.6% in 2021. The number of nationalities increased from 83 to 89.

Our organisation's investments in safety resulted in a decrease in the Total Recordable Injury Rate (TRIR) ratio from 0.59 in 2021 to 0.51 in 2022. The sick leave rate in 2022 was 4.2% (2021: 3.9%), which is below the national average. To reduce our sick leave rate, we initiated a new partnership with specialists. They will work closely with employees in their return to work, for example following a burnout.

Chief People Officer

In November 2022, Meike Salvadó-de Reede joined Van Oord's Executive Committee as Chief People Officer (CPO). The appointment marks an important milestone in Van Oord's The Right People Strategy. As CPO, Ms. Salvadó-de Reede will oversee all aspects of human resource management with a focus on developing a high-performance organisation. As a member of the leadership team, Ms. Salvadó-de Reede will also be responsible for and contribute to the realisation of Van Oord's corporate strategy and purpose.

Diversity at Van Oord

The company endorses a balanced distribution of seats within the Executive Committee, the Supervisory Board and senior management of the company. Diversity remains an important goal, as diversity of thought is seen as an important driver for success of our organisation. Van Oord has set a goal to increase the representation of women within the Executive Committee, the Supervisory Board and senior management from 11% in 2022 to 25% in 2030. In addition, we aim to increase the diversity in nationalities in top management.

Outlook

We will continue to measure our organisation's performance and progress towards our strategy The Right People. One of the key priorities for 2023 is psychological safety and creating a secure base. We will enable leadership to create a culture in which people feel safe and empowered. Creating a secure base also contributes to our goal of becoming a more international, diverse and inclusive organisation. In addition, we will work to improve our employee experience, amongst others by offering a broad range of development opportunities and programmes. By investing in people, we build the high-performance culture capable of delivering long-term stakeholder value and client satisfaction.



People



Employees at Van Oord in FTE

5,243
2021: 4,725



Nationalities employed by Van Oord

89
2021: 83



Sick leave rate

Sickness absence as % of employees on the Dutch payroll

4.2
2021: 3.9



Male

85%
2021: 85%



Female

15%
2021: 15%



Number of women in management positions

11%
Target 2030: 25%



Employee Net Promotor Score (eNPS)

22.9
Industry benchmark 17.0



Training courses

Total Recordable Injury Rate (TRIR)

0.51
2021: 0.59

Lost Time Injury Frequency Rate (LTIFR)

0.15
2021: 0.15

Participants in classroom training courses

5,047
2021: 3,473



Safety

1,416
2021: 878

Professional development

3,225
2021: 2,274

Management & leadership

406
2021: 321

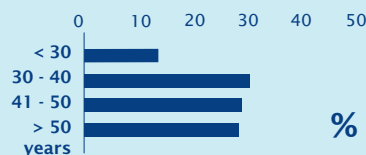
Participants in e-learning training modules

6,953
2021: 5,591

Trainees in Van Oord's technical traineeship

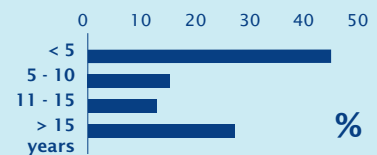
40
2021: 23

Average age



of 3,822 employees (head count) on the Van Oord payroll worldwide

Average number of years of service



of 3,822 employees (head count) on the Van Oord payroll worldwide

Sustainability



Installing 4 broodstock structures at wind farm Luchterduinen, the Netherlands, to provide a safe and stable breeding place for oysters.

In 2022 we took a next step in operationalising our sustainability programme. We employed Building with Nature and Ocean Health solutions in various projects, and we fully embedded environmental and social due diligence into our tender process.

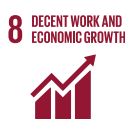
Over the year, we established a strong governance structure for implementing strategic initiatives and measuring and reporting our progress towards our goals. In the meantime, we proactively pursued sustainable business opportunities by building our knowledge base and exploring partnerships and coalitions.

In 2022 we intensified our Sustainable Earth Actions (S.E.A) Programme. Our strategy is based on 4 sustainability pillars and aligned with Van Oord’s material topics to contribute to our goal of delivering net-positive impact and developing

new sustainable business. The materiality assessment helps shape our approach; the content of each pillar is connected to the topics most material to the company (see the Stakeholders and materiality matrix chapter in this report).

As our strategy matures, we continue to set science-based targets and determine KPIs within each pillar. This allows us to monitor our progress towards 2030 and beyond. In this way, sustainability contributes directly to the purpose of Van Oord: to create a better world for future generations by delivering Marine ingenuity.

Realising our purpose via 4 sustainability pillars



The S.E.A. Programme provides a framework for strategic decision-making and reporting, communication and events, knowledge building, stakeholder management, and projects. To strengthen our governance structure, we created working groups, set science-based targets, determined smart KPIs, and improved quarterly sustainability reporting. In addition, we formally launched the S.E.A. communications strategy in May 2022. Internally, our communications strategy focuses on community building and bringing together all sustainable initiatives within Van Oord. Externally, the strategy is centred around building and strengthening coalitions and partnerships.

As an industry frontrunner in sustainability, we continuously engage with internal and external stakeholders. We attend key climate conferences, such as the UN Climate Change Conference (COP27), and initiate and host events. This includes the 'How to Empower Nature and Communities' event at the Dutch Pavilion during the Dubai EXPO and the Klimaas Café at the launch of our first LNG-powered trailing suction hopper dredger, Vox Ariane.

In parallel, we are actively exploring, developing and implementing solutions through pilots and projects. In 2022 we focused on structuring and implementing an approach for net-zero emissions. In addition, we established clear business development opportunities in each business unit that will increase our sustainable business portfolio.

Enhancing the energy transition

Van Oord is committed to accelerating the energy transition while adding both social and ecological value. This is demonstrated by our continuous growth and expanding portfolio in Offshore Wind. Across the world, the business unit is involved in the development of wind farms to shift the world's energy mix from fossil fuels to renewable wind energy. In 2022 Van Oord was involved in installing 930 MW of offshore wind capacity, for a total cumulative capacity of 16,523 MW.

In 2022 we finalised our Floating Renewable Energy approach and began participating in some tenders for various floating wind projects and developments. Expanding our knowledgebase and network are key to the rollout of the strategy. To share our expertise in enhancing the energy transition, Van Oord also supports educational programmes related to the energy transition at Erasmus University Rotterdam and Technical University of Delft.



Dutch Minister Harbers visiting the Multimedia project The Dyke about the Afsluitdijk at the Dubai Expo.

Led by the Offshore business unit, we are pursuing opportunities in the Renewable Energy Infrastructure (REI) market. This way we leverage our experience with and expertise in Coastal Energy Infrastructure (CEI) to accelerate the transition to renewable fuels. In 2022 we established product visions for several niche segments within this market. Examples include offshore energy hubs, ammonia import/export terminals and various hydrogen concepts.

Taranto Offshore Wind Farm

We completed the installation of Italy's first offshore wind farm, and the first of its kind in the Mediterranean, in 2022. The Taranto Offshore Wind Farm, located in Italy's Apulia Region near the Taranto harbour, consists of 10 wind turbines for a total capacity of 30 MW. It will provide an estimated 55,600 MWh of electricity per year to meet the demand of around 18,500 households.

Greater Changhua 1 & 2a

The Greater Changhua project was nearing completion by the end of 2022. The Greater Changhua 1 & 2a offshore wind farms are located between 35 and 60 kilometres off the west coast of Changhua County, Taiwan. The wind farms have a total capacity of 900 MW and will supply sustainable energy to approximately 1 million households. They also contribute significantly to the Taiwanese government's target of realising 5.7 GW of offshore wind capacity by 2025.

Ecology in tender Hollandse Kust West

Van Oord takes a responsible and proactive stance in ecological enhancement associated with the construction and operation of offshore wind farms. By building upon our in-house innovations and joining forces with knowledge institutes, a broad range of solutions was compiled for the Hollandse Kust West bid. These included innovative technological measures to reduce collision risks for birds and bats and mitigate the impact of underwater noise on harbour porpoises and seals. The bid also promoted the design of eco-friendly scour protection and installation of oysters broodstock and vertical mussel reefs to kickstart self-sustaining shellfish reefs, all of which deliver positive long-term effects on fish and benthos. All our solutions ensure that offshore wind farms are constructed and operated in greater harmony with the marine environment in which they are built.

Accelerating climate actions

As part of our commitment to accelerating climate actions, we focus on providing climate adaptation solutions to coastal communities and ecosystems most impacted by climate change. Densely populated areas in delta regions and communities in low-lying areas are particularly vulnerable to the damaging effects of climate change. We help protect these societies, and we do so in the most environmentally friendly way possible through Building with Nature.

COP27

Van Oord returned to the UN Climate Change Conference in 2022. After participating in conversations about solutions to climate change and its impacts on coastal communities at COP26 in Glasgow in 2021, we joined COP27 in Sharm el-Sheikh, Egypt, including as a UN panel speaker on climate adaptation and nature-based solutions. Our role at COP27 extends our industry leadership and reputation and strengthens our contribution to the global challenges we face. The next conference, COP28, will be held in Dubai in 2023.

An initial analysis of the future development of the EU Taxonomy Regulation indicates that about 45% of Van Oord's revenue can be aligned as climate adaptation and climate mitigation. In 2022 Van Oord worked on over 250 kilometres of coastline protection and dyke improvement. We employed Building with Nature solutions in several of these projects.

We continued to advance our Climate Risk Overview programme in 2022 through the presentation of a scientific paper on our approach to assessing climate risk for coastal communities at the WODCON conference. We have multiple ongoing collaborations in place to extend the positive impact of the tool to more people at risk from climate change.

Broad Green Dyke (Brede Groene Dijk)

We reinforced a 750-metre dyke along the Dollard Bay using clay made of dried dredged sediment from the nearby Eems-Dollard estuary. The result is a sustainable and circular construction. Removing and using the sediment to reinforce the dyke positively contributed to water clarity and quality. Van Oord carried out the work in partnership with EcoShape.

Constanta Beaches

In Romania, the Dredging business unit neared completion of the Constanta Beaches Phase 2 project, which involves the design, engineering and construction of groynes and beaches to protect the surrounding area from the waves of the Black Sea. Van Oord's projects employ a wide range of environmentally friendly and nature-inclusive methods and materials such as planting and replanting various species of seagrass and algae.

GEOWALL® pilot

We began piloting the use of GEOWALL® technology for the construction of a dyke revetment in Hansweert, Zeeland. GEOWALL® is a fully circular and low-emissions alternative to concrete construction elements. We are also testing the impact of GEOWALL® reef blocks – artificial reefs – on underwater life and biodiversity in the Eems-Dollard estuary.

Maldives

In 2022 Van Oord started the preparations for the Addu Development Project in the Maldives. This project contributes to the area's resilience against climate change by reclaiming land and enhancing shore protection for residential, commercial and industrial development. Special attention will be paid to the control of turbidity and sediment spillage during the reclamation works. The planned project scope includes mitigation measures such as coral relocation and the planting of seagrass.

Empowering nature and communities

We carefully consider the impact of our projects on local environments and communities. We proactively involve community members in the planning and design phases of our projects, and we develop methods and solutions to conserve and restore the natural world. We continuously work to protect natural resources without compromising a safe and fair working environment. The ambition of every Van Oord project is to have a net-positive impact on society.

By creating innovative marine infrastructure, our aim is to promote socioeconomic development and enhance biodiversity. Furthermore, we take measures to prevent or minimise land, air and water pollution and to avoid the degradation of water quality. During project execution, we carefully monitor our impact on the environment and record any spills. In 2022 there were 0 spills with significant impact reported.

Environmental, Social and Governance Due Diligence (ESG DD)

We have an Environmental, Social and Governance Due Diligence (ESG DD) process in place to rigorously assess the environmental and social impacts of all projects across our business units. All tenders are subject to a First Assessment. Tenders with at least 1 affirmative response to any of the First Assessment's 3 questions, must also undergo a Standard Assessment. In 2022, 100% of tenders followed the ESG DD process. The goal of this process is to identify potential negative impacts of projects on local communities and environments so that we can proactively manage and mitigate them. We do this by establishing multi-disciplinary working groups for each project flagged by the ESG DD process. The ESG DD assessments are carried out in compliance with the OECD Guidelines for multinational enterprises and the UN Global Compact Principles, along with all other compliance topics.

NEN-ISO 26000:2010 Social Responsibility

Van Oord takes its social responsibility seriously in all aspects of our work. We do this through our sustainability programme, but also by embedding the principles and guidance of the ISO 26000 Guidance on Social Responsibility into the Van Oord Management System. Van Oord has worked on the ISO 26000 assessment together with an external consultant and prepared documentation in accordance with the Guidance on self-declaration NEN-ISO 26000 (NPR9026+C1:2012). Next year an independent external party will verify whether the self-declaration and associated documentation is in line with the principles and guidance of NEN-ISO 26000:2010.

EcoShape

In 2022 the EcoShape partners concluded that in order to scale Building with Nature and nature-based solutions, additional pre-competitive collaboration and knowledge building is needed. As one of the founding partners of EcoShape, Van Oord committed to contributing to the development of the Building with Nature III programme from 1 January 2023 onwards. The programme will focus on further developing Building with Nature solutions via a combination of research, pilot projects, outreach and real-scale capacity building. The identified enablers and tangible examples of the implementation of Building with Nature solutions were shared with the participants of our Empowering Nature and Communities event at the Dubai EXPO in March 2022.

Ocean Health

In 2020 Van Oord founded the Ocean Health initiative to turn pledges to enhance biodiversity and tackle climate action into tangible actions. Our Ocean Health programme involves the preservation, restoration and creation of marine ecosystems. The goal is to develop sustainable and viable business streams to achieve impact at scale. This is actively supported by the extensive knowledge of and experience with marine ecosystems of our Environmental Engineering department. In 2022 Van Oord hosted and participated in several Ocean Health events and workshops involving key partners and stakeholders. In addition, we executed various studies and pilots to further develop our knowledge and expertise.

Luchterduinen oyster reef rehabilitation

At the Luchterduinen wind farm, we leveraged our knowledge of marine ecosystems to install 4 broodstock structures, which provide a safe and stable breeding place for oysters. Oysters contribute to ocean health by filtering and cleaning water, and by providing food and shelter for many species. We are exploring opportunities for implementing oyster reef rehabilitation at scale. This project was a collaboration between the Foundation of Rijke Noordzee and Eneco.

Mangrove conservation and restoration

We conducted a scoping study and site visit in Mozambique to enhance our knowledge of mangrove systems. The insights from the study will inform our approach to mangrove restoration, including social, hydrological and ecological interventions.



Conducting a scoping study and site visit in Mozambique to **enhance our knowledge of mangrove systems.**

Seagrass rehabilitation and seaweed

We conducted a pilot in Denmark to test various methods for seagrass rehabilitation, and we executed experiments for the transplantation of seaweed for rehabilitation purposes in Romania. On our home turf, Van Oord is a key member of a consortium developing the first offshore seaweed farm embedded within an offshore wind farm. These efforts are part of the North Sea Farm 1 project. The design process was initiated in 2022 and the implementation of the first project is planned for 2023.

Achieving net-zero emissions

Van Oord is committed to achieving net-zero emissions by 2050 to combat global climate change. In 2022, with a dedicated team, we developed a comprehensive, data-driven, project plan that covers Van Oord's scope 1, 2 and 3 emissions. All our new-build investments are prepared to run on the renewable fuels of the future and Van Oord continues to make significant investments in fleet and equipment to reduce our emissions.

In 2022 we inaugurated the first LNG-powered hopper dredger, the Vox Ariane. In addition, the construction of the green cable-laying vessel Calypso and offshore installation vessel Boreas was on schedule. The Netherlands business unit invested heavily in the electrification of its fleet and of construction sites and is a front-runner in decarbonisation.

Science Based Targets Initiative (SBTi)

In 2022 a data model was created to create a structured overview of our actual emissions, our short-term forecast and our longer-term forecast up to 2030. The model is linked to our financial forecast and scenarios which are used to realise our strategy: Building the Future Together. This enabled us to also model various scenarios for reducing our emissions to zero by 2050. The model revealed a viable pathway towards net-zero emissions by 2050, and more importantly facilitated Van Oord in committing to a 1.5-degree pathway in line with Science Based Targets Initiative (SBTi) Maritime Guidance: the carbon reduction pathway to limit the global temperature rise to a maximum of 1.5°C.

We are currently working with SBTi to establish our new targets. By working together with Science Based Targets Initiative (SBTi), we can utilise the Maritime Guidance, a methodology specifically targeted at sectors which are harder to decarbonise, while still achieving the ambition to reduce carbon emissions by at least 30% by 2030.

As part of our preparation for the SBTi application, in 2022 Van Oord brought the definitions of scope 1, 2, 3 fully in line with the international standards as laid down in the Green House Gas protocol (page 141).

Although our absolute emissions increased in 2022, we remain within our existing 2030 target for a 'well below 2°C' scenario. More specific targets to achieve the new '1.5°C' scenario and commitment will be established within 2023.

Our relative emissions (Scope 1 t CO₂e/EUR mio Revenue) have decreased year on year compared to our 2019 baseline; including in 2022, despite an increase in revenue and absolute scope 1 emissions. We are on an overall downward trajectory.

Carbon Disclosure Project (CDP)

As a participant in the Carbon Disclosure Project (CDP), we disclose our climate ambitions and CO₂e emissions. In 2022 we extended our emissions assessment to include our supply chain. We also made significant improvements in evaluating the emissions in our supply chain by using data from the Top 50 suppliers complemented with industry averages. The goal is to understand the footprint of our entire supply chain so that we can make well-informed decisions to reduce our scope 3 emissions. In 2022 Van Oord hosted its second Sustainable Supply Chain event where we invited our strategic suppliers with an engaging programme to discuss sustainability, alongside other important topics such as geopolitical crises, supply chain disruptions and extreme price inflation.

We assess all our active suppliers on environmental, social and corporate governance risks. We also use external data provided by a data science company to better understand how our partners conduct business with regard to human rights, labour standards, corruption and environmental issues. In 2022 we collected data from 1,537 suppliers, representing approximately 51.1% of the external total spend. Of the 1,537 suppliers, 157 have a risk profile that is higher in terms of business impact and complexity of products and service.


As part of our Sustainable Supply Chain programme, we work with our suppliers to evaluate and reduce our total upstream scope 3 emissions. We also address the use of plastics and reduce waste through circularity and smart material selection. In 2022 our scope 3 emissions amounted to 115.8 kilotonnes of CO₂e, based on 2 of the 8 scope 3 categories. This number includes upstream emissions related to business travel as well as supply chain emissions

from fuels used for equipment owned by Van Oord. We estimate that when all 8 upstream categories are included, our scope 3 emissions will make up the largest part of our total emissions. The remaining 6 upstream categories of scope 3 are currently being mapped out in more detail.

Outlook

For the next steps of our programme, we continue to work towards our short-term and long-term commitments across all 4 pillars of our sustainability strategy. Within our business units, the further development of new and existing

sustainable business strategies such as climate adaptation and Ocean Health are important priorities. We continue to build and strengthen relationships by hosting and attending key events such as the UN 2023 Water Conference and COP28. By involving our key suppliers, we aim to identify new opportunities for reducing our scope 3 emissions. Finally, we plan to fully integrate our KPIs and sustainability into Van Oord's quarterly reporting cycle for optimal transparency towards our all stakeholders.



The Broad Green Dyke project in the Netherlands used an innovative and nature-friendly approach to reinforce the dyke along the Dollard bay. The dyke was constructed with clay made of dried and ripened sediment from the nearby Eems-Dollard estuary.



Planet



Scope 1 greenhouse gas emissions (tonnes x 1,000 CO₂e)

475.3
2021: 390.1



Total installed renewable energy capacity

930 MW*
2021: 1,142 MW

Sustainability performance



Number of suppliers assessed by Van Oord on Environmental and Corporate Governance risks

1,537
2021: 1,356



Spills with significant environmental impact

0
2021: 2



Due Diligence (tenders)

505
2021: 186



Total cumulative renewable energy capacity of

16,523 MW*
2021: 15,593 MW

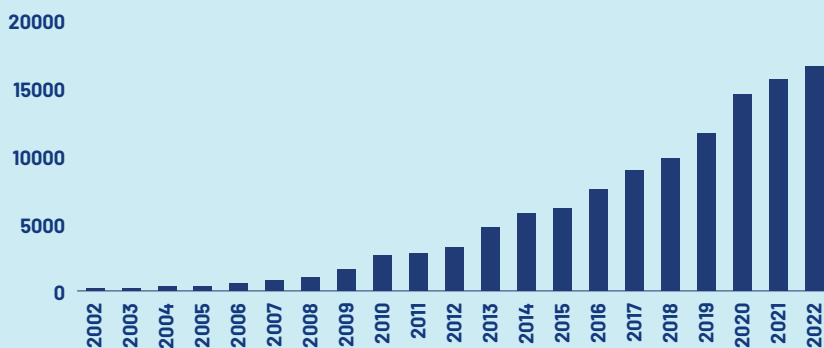


km coastline protection

>250KM

Which equates to 100% of tenders which undertook Environmental and Social first assessment.

Cumulative involvement in offshore wind capacity installed (in MW)



* Including the Greater Changhua 1 & 2a project. By the end of 2022, all 111 infield cables were installed and the project neared completion. The full scope of work will be completed in 2023.

Greenhouse gas emissions

All greenhouse gas emissions fall into one of these buckets
(all figures x 1,000 tonnes of CO₂ equivalent)

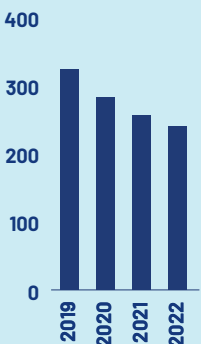


Scope 1 emissions are direct greenhouse gas emissions linked to the operation of owned equipment as well as minor sources such as leased vehicles and space heating in buildings. The operation of owned marine equipment makes up the bulk (>95%) of scope 1 emissions.

Scope 2 emissions are indirect emissions from purchased electricity used primarily to power support services such as offices, yards and electric vehicles.

Scope 3 emissions consist of value chain emissions such as those related to the production, refining and delivery of fuels used in owned equipment. A smaller part of scope 3 emissions is linked to business travel. In this report only categories 3 and 6 of scope 3 are included (see page 143). We estimate that when all 8 upstream categories are included, our scope 3 emissions will make up the largest part of our total emissions.

Development relative scope 1 emissions (tCO₂e/ million EUR revenue)



Scope 1 tonnes CO₂e per million euro revenue



Share of renewable bio fuels

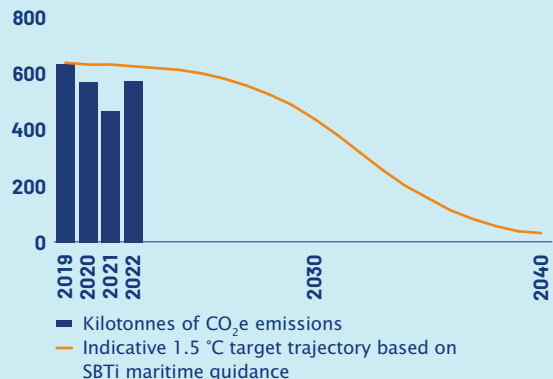
4.3%
2021: 3.1%



Share of renewable electricity

69.4%
2021: 66.3%

Well-to-wake Maritime Emissions (tCO₂e x 1,000)



Digital



View from the bridge of trailing suction hopper dredger
Volvox Asia in Mumbai, India.

We continue to execute our digital strategy. Across the organisation, we have invested in people, systems and processes necessary to optimise our use of data and embrace digital. In 2022 we started converging our efforts – connecting various initiatives from VO:X Data to DataLab – to further increase our impact.

By streamlining our approach to data and digitalisation, we are building the foundation we need to scale. In addition, we made additional investments in information security to manage information risk and meet client expectations.

One digital strategic initiative

The digital strategy of Van Oord aims to optimise the use of data and digital tools to deliver long-term stakeholder value and client satisfaction. Over the years, we have made important strides in developing use cases in the digital realm. Moving forward, we are bringing together initiatives across the organisation as part of one digital strategic initiative. By implementing a centralised way of working, we are able to continuously adapt to an ever-changing environment and deliver maximum value through digital.

Data and analytics

Data and analytics are crucial components of our digital strategy. To that end, our Data & Analytics department is expanding on our data foundation with the goal of increasing Van Oord's data maturity. We have established a company-wide vision for data-driven Marine ingenuity, which entails 3 components:

- Connect data: deploying our cloud-based data platform Compass and integration platform for delivering trusted and democratised data throughout the organisation.
- Accelerate ingenuity: setting up distinct centres of excellence around data products, such as reporting and data science, as well as improving overall data literacy and promoting a unified way of working within Van Oord.
- Implement governance: developing and implementing the processes and tooling required to increase our data maturity by safeguarding the confidentiality, integrity and availability of our data.

These components are key to several company-wide and critical programmes and strategies, such as our Founding the Future programme and HR Strategy.

Founding the Future

Our largest and ongoing transformation programme called Founding the Future benefits from, among other things, a solid data foundation. The programme involves the realigning of the core cost engineering and project control processes to improve operational performance and control. This realignment supports a standardised way of working, closed feedback loops and a data-driven culture and mindset. The resulting increase in the availability, predictability and quality of data in turn will contribute to the implementation of our digital strategy.

VO:X Data

Another important part of our digital strategy is the VO:X Data programme, which focuses on further developing a digital mindset and driving digital demand from the business and clients. As part of this effort, VO:X Data refreshes the digital roadmap of our business units annually based on their respective input. All initiatives on the roadmap have the potential to deliver value for the business by addressing challenges and driving client satisfaction. Each business unit selects initiatives on the roadmap that they want to validate in collaboration with the VO:X Data team.

Digital products

The programme has already resulted in several digital products. One of the solutions implemented for the Offshore Wind business unit in 2021 – Currently – was rolled out to additional clients in 2022. This increased the demand for

insights, such as equipment emissions for monitoring CO₂ emissions during project execution. The Offshore application Rock & Roll was also extended to new clients. The application increases operational transparency and aims to improve client satisfaction. In addition, VO:X Data keeps expanding its activities to other business units.

Information security

To manage risk, comply with regulations and simultaneously meet client expectations, we initiated several information security initiatives in 2022. These included the Be Secure campaign and ISO 27001 certification programme.

Be Secure campaign

The Be Secure campaign complements the technical and process-related measures within Van Oord to protect our information and that of our clients. It is based on the premise that well-informed employees are a strong defence against information security threats and incidents. The campaign was launched in 2022 to further embed security awareness in the organisation.

From 2023 onwards, we will organise several events, including ethical hacking seminars to demonstrate how hackers work, tabletop sessions with senior management and video crisis simulations. Other interventions include security awareness log-in screens and simulated phishing e-mails. These initiatives are led by a network of ambassadors throughout the organisation, including senior management.

All employees are required to complete the Be Secure e-learning programme. The goal of the course is to educate employees on the do's and don'ts of information security, and to assess how Van Oord can better support departments in adopting a secure way of working.

ISO 27001 certification programme

We successfully completed an ISO 27001 certification programme in 2022. ISO 27001 is an international standard to manage information security. This involves the implementation of a management system for the systematic protection of information, followed by an audit by a third-party certification body. It validates that we have the right controls in place to safeguard our data and that of our clients and other stakeholders.

From a regulatory perspective, the European Council and European Parliament have developed a new directive on minimum cybersecurity standards to be implemented across the EU: the NIS2 directive. This new directive applies to critical sectors and entities including Van Oord and will go into effect in 2024. By implementing the ISO 27001 information management system, we expect to meet all requirements included in the NIS2.

Outlook

We will continue consolidating our digital foundation in 2023. The organisation will see a shift towards the standardisation of tools and processes, rooted in proven technologies and best practices, to support all colleagues within Van Oord. Streamlining our efforts enables us to put our resources and energy towards opportunities that not only drive operational excellence, but also deliver maximum value for our clients. That is the true value of digital: to enable us to deliver exceptional client experiences that drive the growth of our business. In the coming year, we will focus on the foundational elements - People & Organisation, Data Foundation, Enabling Technology and Security - to drive digital within van Oord and among suppliers, key stakeholders and our clients. This will bring us closer to driving business impact with digital solutions.

Performance

3

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To keep the **German waterway Elbe at the right depth**, our LNG trailing suction hopper dredger Vox Ariane performs maintenance dredging over a length of 109 km. In this project we combine fairway maintenance with protection of the hinterland by strengthening the dyke.



Financial performance

2022 was a year of recovery – both from an operational and profitability perspective. This is reflected in the financial results. We realised a substantial increase in our revenue and got back in control on a number of complex projects. Profitability was restored while handling severe supply disruptions and price increases.

At year-end, we are well positioned for the upcoming years with a strong order book including solid margins and a low net debt level in relation to an increasing investment level.

Van Oord increased its revenue to EUR 2,021 million in 2022 (2021: EUR 1,517 million) and realised a net profit of EUR 60 million (2021: net loss EUR -62 million). The net profit was negatively impacted by tens of millions of euros due to supply disruptions and price increases in relation to the war in Ukraine. This also affected the operational cashflow which, in combination with a higher investment level, led to an increase of net debt to EUR 178 million at year-end 2022 (2021: EUR 62 million). Our order book of EUR 4,300 million at year-end 2022 was on balance stable (2021: EUR 4,353 million) as the award volume in 2022 (including the effect of projects in a.o. Russia and Angola which were eliminated from the order book) was in line with revenue.

All of our business units realised a revenue increase in 2022. The Dredging business unit grew its revenue to EUR 892 million (2021: EUR 727 million) including amongst others the Fehmarnbelt Fixed Link project and the deepening of the Harwich channel. Compared to 2021, the Offshore Wind business unit had a busy year with EUR 599 million revenue because of construction on the Saint-Brieuc, Greater Changhua and Hollandse Kust Noord projects (2021: EUR 347 million). Revenue in the Netherlands business unit was EUR 322 million (2021: EUR 252 million) and mainly included projects such as

the Afsluitdijk, A16 motorway Rotterdam and Twentekanalen. Despite the prolonged suspension of the Mozambique LNG project, the Offshore business unit was able to increase its revenue to EUR 208 million mainly in relation to various projects in Mexico, Norway and the United Kingdom (2021: EUR 191 million).

One of the important drivers of the performance of the company is the occupation of our fleet. In the business unit Dredging, the utilisation of our trailing suction hopper dredgers increased to 29 weeks (2021: 21 weeks) whereas the utilisation of the cutter suction dredgers decreased to 15 weeks (2021: 18 weeks). Offshore Wind was able to increase the utilisation of its equipment to 32 weeks (2021: 27 weeks). The flexible fallpipe vessels in the Offshore business unit improved their utilisation to 35 weeks (2021: 27 weeks).

Financial position and cash flow

The financial position of our company at year-end 2022 was in line with last year and remained solid. Equity amounted to EUR 985 million (2021: EUR 915 million) and solvency was 32.4% (2021: 33.4%). The operational cash flow of EUR 62 million (2021: EUR 50 million) was lower than the investing cash flow of EUR 187 million (2021: EUR 98 million) and consequently net debt increased to EUR 178 million, which is well within the terms and conditions of our credit facilities. The financing cash flow amounted to EUR 143 million (2021: EUR 174 million).



Floating crane Christiaan-P is installing mattresses to protect the riverbank against erosion.

Order book

The total order book of EUR 4,300 million at year-end 2022 remained stable compared to 2021 (EUR 4,353 million) as revenue was in line with the award volume including variations. The latter were on balance negative as a number of projects (in Russia and Angola) were taken out of the order book. Newly awarded projects in 2022 included: Ain Sokhna (Egypt) and Constanta Beaches (Romania) in the Dredging business unit, Hollandse Kust West wind farm in the Offshore Wind business unit, Gas to Energy (Guyana) in the Offshore business unit and the dyke reinforcement Hansweert in the Netherlands business unit.

Return on capital employed

The return on capital employed improved to 4.7% (2021: -6.2%) due to a recovery of the EBIT whilst capital employed increased slightly.

Investments

By substantially investing in sustainable and innovative equipment in this decade, **Van Oord is strengthening its position as a leader in the industry.** In 2022 we inaugurated our first of 3 LNG hopper dredgers. The green cable-laying vessel Calypso entered the completion phase, while work began on the Boreas, our first methanol-ready offshore installation vessel.

As a frontrunner in sustainability, we weigh the best options available today against promising developments in the future to make 20+ year investment decisions. Through our entrepreneurial mindset, we clear the way for a more sustainable marine sector.

LNG trailing suction hopper dredgers

In 2022 we celebrated the delivery and christening of our first LNG trailing suction hopper dredger, Vox Ariane. The christening marked a milestone in our sustainable investment programme. The second LNG hopper dredger, Vox Apollonia, will be christened in Rotterdam in March 2023. The third vessel, Vox Alexia, is expected to be delivered towards the end of summer 2023. All 3 LNG hopper dredgers have several features that will reduce fuel consumption, and consequently carbon emissions, by a considerable margin compared to conventional trailing suction hopper dredgers. The Royal Association of Netherlands Shipowners (KVNR) awarded Van Oord the KVNR Shipping Award, recognising the innovative design of the vessels and their contribution to the sustainability goals of the Dutch shipping industry.

Water injection dredgers

After the successful inauguration of water injection dredgers Maas and Mersey in 2021, Van Oord signed a contract for a repeat order for 2 additional vessels. The new fleet of water injection dredgers is equipped with a hybrid energy

management system and a heat recovery system, which reduce the vessels' energy consumption and thus our carbon footprint. Innovative technologies, such as heave compensation and a dynamic positioning system, enable us to automate much of our dredging process. The water injection dredging process is more environmentally friendly, as the dredged sediment is moved through a natural process. Dutch shipbuilder Kooiman Marine Group is building the vessels, the first of which will be commissioned in early 2024.

Cable-laying vessel

In October 2022 cable-laying vessel Calypso was launched at VARD's Tulcea shipyard in Romania. By December the vessel had arrived at VARD's Brattvaag shipyard in Norway for completion. The Calypso will be equipped with on-deck and below-deck carousels for a total cable-carrying capacity of 8,000 tonnes. The vessel will be able to lay 2 cables at once, which makes it well suited for the installation of inter-array grid and export cables for offshore wind projects. It can also install High Voltage Direct Current cables. The Calypso is a hybrid vessel that can run on biofuel. It is also equipped with fuel-flexible engines to accommodate more sustainable fuels and e-fuels in the future. It has a large battery pack, a shore supply connection and a state-of-the-art energy management system. Its energy-efficient systems reduce carbon, nitrogen and sulphur oxides (CO₂, NO_x and SO_x) emissions. The Calypso will be operational by late 2023.



Offshore installation vessel Aeolus prior to upgrade (left) and after upgrade (right).

Offshore installation vessel

We held the keel-laying ceremony for our new offshore installation vessel Boreas in December 2022. The Boreas is designed to install wind turbines and monopiles with a capacity of up to 25 MW, which will play an important role in meeting the world's increasingly ambitious wind energy targets. The heavy-duty jack-up vessel can lift more than 3,000 tonnes and work in depths up to 70 metres. It is equipped with an electric drive system and large on-board battery pack. The waste heat recovery system automatically recharges the batteries. The electric system significantly reduces the fuel consumption of the Boreas. Its dual-fuel engines can run on methanol, a biodegradable and clean-burning fuel that reduces carbon emissions. Van Oord proactively works to secure the availability of methanol through strategic supply chain agreements. The production of the Boreas is progressing steadily. The vessel is expected to be commercially available in 2025.

Investments in crew well-being

The new vessels have been designed with comfort, ergonomics and standardisation in mind. Crew members have access to comfortable and inviting cabins, private areas, and shared gym and recreational facilities. The internet connections have been upgraded, and the ventilation systems have been configured for maximum comfort and minimal noise pollution. The overall layout

takes into account traffic flows, and work environments are ergonomically designed for comfort and safety. The vessels feature shared design elements that are consistent with the Van Oord brand to create a sense of belonging.

Upgrades and refurbishments

In December 2022 work began to upgrade offshore installation vessel Aeolus. The Aeolus will be equipped with a new, longer crane boom to handle the newest generation of 12 to 15 MW wind turbines.

Shallow water pipelay barge refurbished

After several years of limited activity, shallow water pipelay barge Stingray was refurbished and made ready for newly awarded projects. The Stingray will be deployed to projects in the Middle East and in the Caribbean region.

Land-based equipment

We continued to invest in the electrification of our land-based equipment. This resulted in the addition of several electric excavators, electric wheel loaders and battery packs to power the electrical equipment on site.

Our fleet

Our fleet and crew are essential to achieving our strategy Building the Future Together. We are building one of the most innovative and sustainable fleet of dredging and offshore installation equipment in the world. As part of our HR strategy The Right People, we continue to strengthen our talented and international crew.

Zero emissions

Van Oord's sustainability objectives are rooted in our strategy Building the Future Together. We are investing in the expertise, equipment and vessels to operate more sustainably and to achieve net-zero emissions by 2050.

We continue to work with partners throughout the supply chain, from engine manufacturers to energy companies, to reach our goals. Newly ordered vessels feature flexible engine technology to accommodate the more sustainable biofuels available today,

and to adapt to energy-neutral solutions in the future. The electric systems onboard have been designed with both performance and sustainability in mind and are essential to our net-zero emissions goals. Recent additions to our fleet feature dual-fuel engine technology and methanol fuel systems. Our new hopper dredgers are powered by LNG. Older vessels are being converted to accommodate new fuels or even more sustainable alternatives like hydrogen. We have also increased our use of biofuels as the main fuels for our vessels. All these initiatives significantly reduce our carbon footprint. We are taking action to reduce our environmental impact, and at the same time we are participating in joint industry initiatives to work towards a future industry standard. This requires us to explore the use of various fuels, including hydrogen and ammonia, and develop a shared industry target.

Recycling policy

Van Oord has a Vessel Recycling Policy in place to safely and sustainably recycle vessels at the end of their lifespan. We develop and achieve our recycling solutions in compliance with applicable laws, rules and regulations, and we prioritise environmental conservation and protection. In addition to the responsible dismantling of vessels, we aim to maximise the reuse of significant parts. Van Oord carefully selects ship recycling facilities to ensure safe and healthy conditions for workers.

Expanding our crew

Van Oord is growing and is forecasting further growth. We have seen a recovery of our vessel occupancy, and we are taking new vessels into service. This requires the expansion of our crew. It also demands the internationalisation of our crew. The demand for our capabilities is coming from all areas of the world, and the right mix of capabilities as well as nationalities is an important area of attention. Despite the challenging labour market, we expanded our crewing department and Ship Management department in 2022. Van Oord's commitment to sustainability and investments in the newest technology make us an attractive employer in our industry. We will continue our hiring efforts in 2023.

Word of thanks

The COVID-19 pandemic caused significant hardship for our crew members. Their sacrifices and dedication made it possible to keep delivering on our commitments to customers. For 2 years the crew dealt with difficult travel conditions, rigorous testing protocols and mandatory quarantines. We want to thank our crew for their extraordinary support during these unprecedented times.

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



1 Trailing suction hopper dredger
- Vox Alexia



1 Green cable-laying vessel
- Calypso



1 Offshore installation vessel
- Boreas



2 Water injection dredgers

In 2022 we decommissioned the following equipment:



1 Barge unloading dredger
- Slidrecht 26

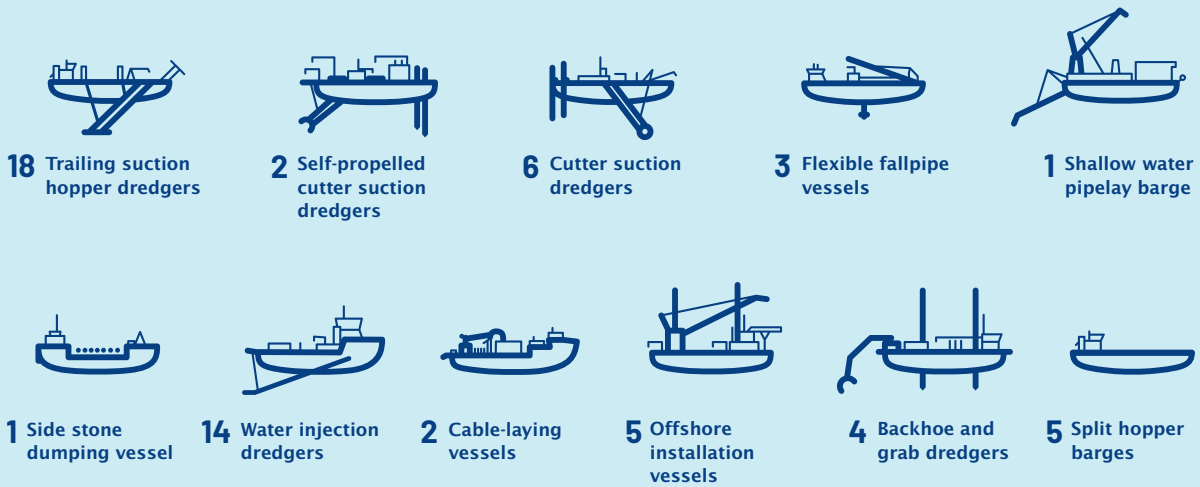


1 Suction dredger
- Slidrecht 27



Main equipment

Our main equipment consists of 61 vessels*:



Utilisation rate (in weeks per year)**



* including vessels under construction ** including cold stacked equipment

Governance

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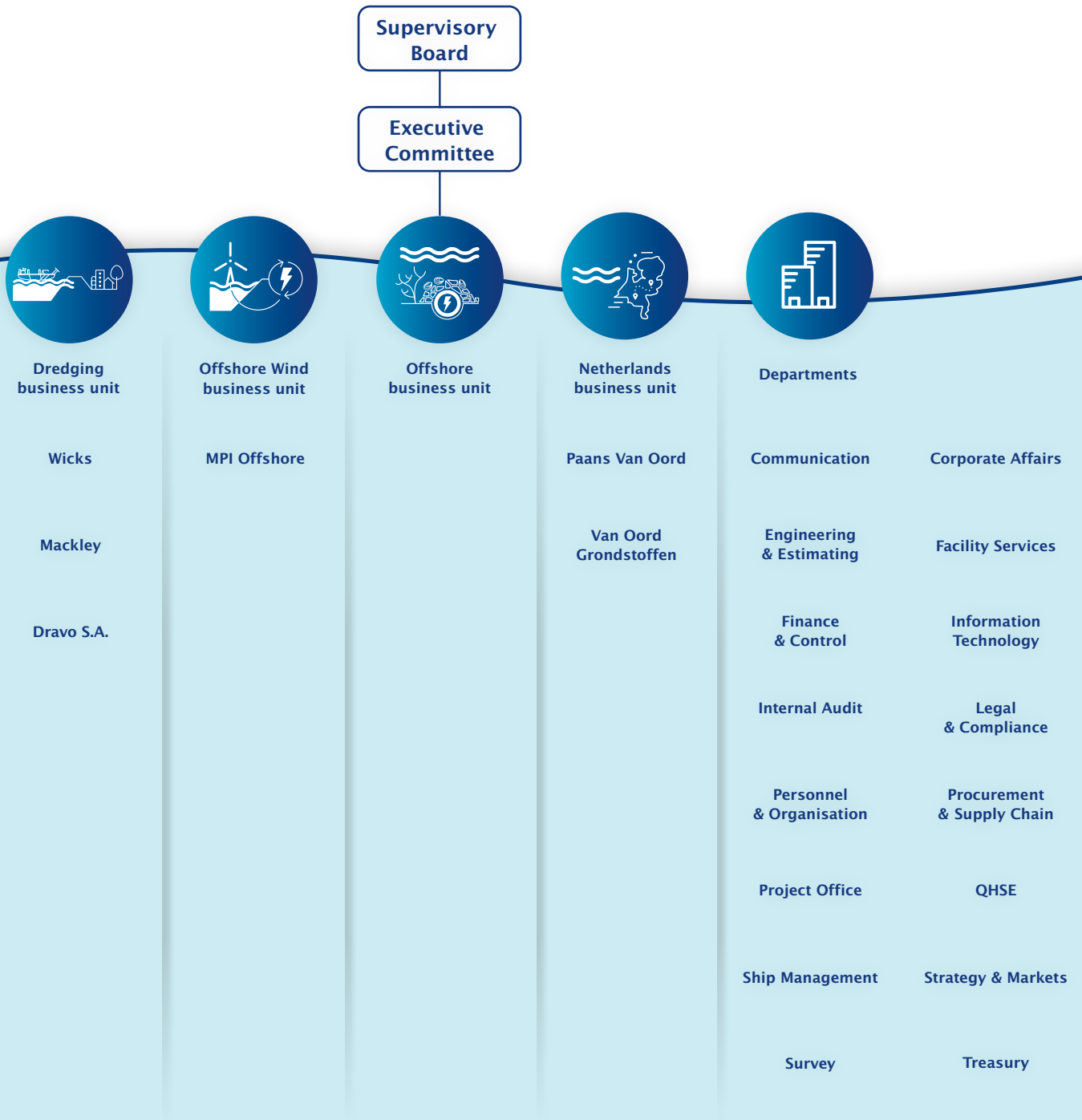
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Hybrid water injection dredger Mersey **maintaining**
the river the New Meuse in Rotterdam, the Netherlands.



Organisation



Composition

of the Executive Committee

*Chief Executive Officer since 2008
(Statutory Director)*

Additional activities 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, Board member of De Koninklijke Nederlandse Redding Maatschappij

Pieter van Oord
(1961)



*Chief Financial Officer since 2016
(Statutory Director)*

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

Jolanda Poots-Bijl
(1969)



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), Board member of the International Marine Contractors Association (IMCA)



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, Board member of the Association of Dutch Suppliers in the Offshore Energy Industry (IRO)



Meike Salvadó-de Reede
(1977)

Chief People Officer (CPO) (as of 1 November 2022 member of the Executive Committee)

Composition

of the Supervisory Board



N.W. (Niek) Hoek
(1956) *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 SB member, Anthony Veder Rederijzaken B.V. (Chair), BE Semiconductor Industries N.V., Cabka N.V. SB member



J.M.M. (Hans) van der Ven
(1953) *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. (Chair), Witteveen+Bos (Chair), DOB-Tree (Chair)



J.H.R. (Rob) Kretzers
(1956) *Member*

Nationality Dutch

Background Shell (1982-2016)

Supervisory memberships

Van Leeuwen Buizen Groep B.V.

	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	2026
J.M. Valkier	2020	2024
P.W. Verheul	2020	2024
C.M. Insinger	2021	2025

Nationality Dutch

Background Executive Director of MerweOord B.V., Chief Operations Officer of Van Oord (2011-2019), CEO Driessen Aerospace Group (2007-2011)

Supervisory memberships

AutoBinck Group (Chair), Acta Marine (Chair), MARIN (Vice-Chair), Board DOB Ecology, Foundation Board Royal IHC, Stichting Open Nederland

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) and KVNR - Dutch Shipowners Association (Chair)

P.W. (Paul) Verheul

(1961) Member



J.M. (Jan) Valkier

(1962) Member



J.M.J.A.P. (Jean-Marie) Laurent Josi

(1964) Member

Nationality Belgian

Background Chief Executive Officer of Cobepa N.V.

Supervisory memberships

International SOS, Gerflor, Socotec, Carmeuse and Bank Degroof



C.M. (Charlotte) Insinger

(1965) Member

Nationality Dutch

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

Supervisory memberships

Blackrock Nederland B.V. (chair), Staatsbosbeheer (chair), RET N.V. (chair)

Quality and Safety



In 2022 our injury and accident rates again declined, strengthening our overall safety record. 2 serious incidents served as important reminders that we cannot let our guard down. In addition to safety, we spent significant time and attention on quality. The Lessons Learned programme revealed opportunities to improve our processes, systems and tools to safeguard the quality of our solutions. We began putting these learnings into practice in 2022.

Safety performance

Our injury and accident rates declined in 2019 and 2020. After a brief and limited uptick in 2021, we once again saw a downward trend in 2022. The Total Recordable Injury Rate (TRIR) decreased from 0.59 to 0.51. We recorded one serious injury aboard the vessel *Stornes* in 2022. A crew member was airlifted to a hospital following a serious accident. The medical evacuation was professionally performed, and the crew member is recovering well following a long period of intensive medical care and rehabilitation. We were also shocked by a fatal accident at the *Afsluitdijk*. The diver worked for a subcontractor hired by Level, a joint venture between BAM, Van Oord and Rebel. As part of our commitment to safety, an extensive investigation was conducted. Because the diver was employed by an external company, the fatality is not included in our health, safety and environment (HSE) statistics.

The number of reported near misses was 250 in 2022 compared to 231 in 2021. In 2020 we launched the safety app to lower the barrier to reporting potential safety issues. Employees can use the app to access safety protocols and submit safety observation cards. The number of safety observation cards almost doubled from 2,183 in 2021 to 4,101 in 2022. Because the increase in observations did not result in a large increase in reported near misses, we are exploring ways make the barrier for reporting near misses even lower.

Proactive safety culture

Our Say YES to Safety programme promotes a proactive safety culture. The concept of a safety culture refers to our organisation's and our personal beliefs, attitudes and behaviours around safety. We use the 5-step safety culture ladder to assess the maturity of our safety culture at Van Oord. Every year an external party conducts an audit by interviewing colleagues from our business units about their perceptions of safety. The 2022 audit concluded that we remain at level 4 in the safety culture ladder. Level 4 refers to proactive safety culture, in which safety is integrated into our way of working and is continuously improved. We continue to work towards a sustainable and mature safety culture, in which safety is fully integrated into all business processes and our collective behaviour.

Safety training

We reached a special milestone with the completion of the 100th safety leadership training. The safety leadership training is part of our Say YES to Safety programme and was launched in 2013. To date, approximately 1,200 managers have completed the training, which consists of interactive sessions focused on maintaining and strengthening our safety culture.

We closely monitor our employees' participation in all mandatory safety training courses to ensure that we maintain a strong safety culture. This is especially important as our organisation is growing. We also updated the Van Oord General Safety Introduction (VOGSI) e-learning course in 2022. All employees are required to complete the course every 3 years.

Mental health awareness programme

Over the years we have become increasingly aware of the importance of mental health, and in 2022 we developed a mental health awareness programme. As part of the programme, all managers participated in a workshop on recognising signs of burnout in employees. The commitment to promoting employee mental health remains strong at all levels of the organisation. In 2023 we plan to expand the programme with additional activities and tools.

COVID-19

We updated our COVID-19 policy in early 2022, when governments around the world began loosening restrictions. We discontinued mandatory and in-office PCR tests for nearly all our employees. Crew members onboard vessels that are critical to our business continuity underwent strict testing throughout 2022. We closely monitored the safe return of our employees to our offices and sites, and we continued to report on confirmed cases. As of December 2022, COVID-19 still accounted for 10% of total absenteeism. It is important to note that COVID-19 remained a significant area of concern for our employees in Taiwan and China, who faced mandatory quarantines throughout 2022.

Quality

The quality of our solutions is key to delivering long-term stakeholder value and client satisfaction. The Lessons Learned programme launched in 2021 addressed quality in detail. One of the conclusions from the programme is that we must pay additional attention to quality during the tender and preparation phases of the projects. Specifically, we must consider early on how we will demonstrate our compliance with the quality requirements. In addition, monitoring the quality of the supply chain is a key area of focus.

Internal quality campaign

In 2022 we laid the foundation for an internal quality campaign. The programme will be designed to further promote a quality mindset within the organisation. After a thorough review, we have begun to implement process improvements and optimise our systems and tools. The campaign will drive awareness of our improved quality system. Like Say YES to Safety, the campaign will include the development of a dashboard, which will enable employees to monitor our organisation's quality performance based on a set of KPIs.

Quality pool

We are building a team of quality experts to help us accomplish our objectives. This team will support business units in monitoring the quality of the supply chain and managing quality at the project level. Specifically, they will focus on mitigating quality-related risks throughout the project lifecycle and improving our ability to measure and report our quality performance.

Looking ahead

'We care' is one of our core values. We care about and set high standards for quality and safety in our projects. We must support people in achieving those standards. We do this by continuously evaluating and improving our processes, communicating our expectations and providing everyone with the information and tools they need to succeed. In 2023 we will further roll out our quality programme. Meanwhile we will apply our lessons learned to new and ongoing projects. To maintain and improve our strong safety record, we will work to lower barriers to reporting near misses and unsafe situations. In doing so, we create a safe working environment while delivering the best possible results for our customers and our company.

Safety

Total Recordable Injury Rate (TRIR)



Lost Time Injury Frequency Rate (LTIFR)



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*.

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

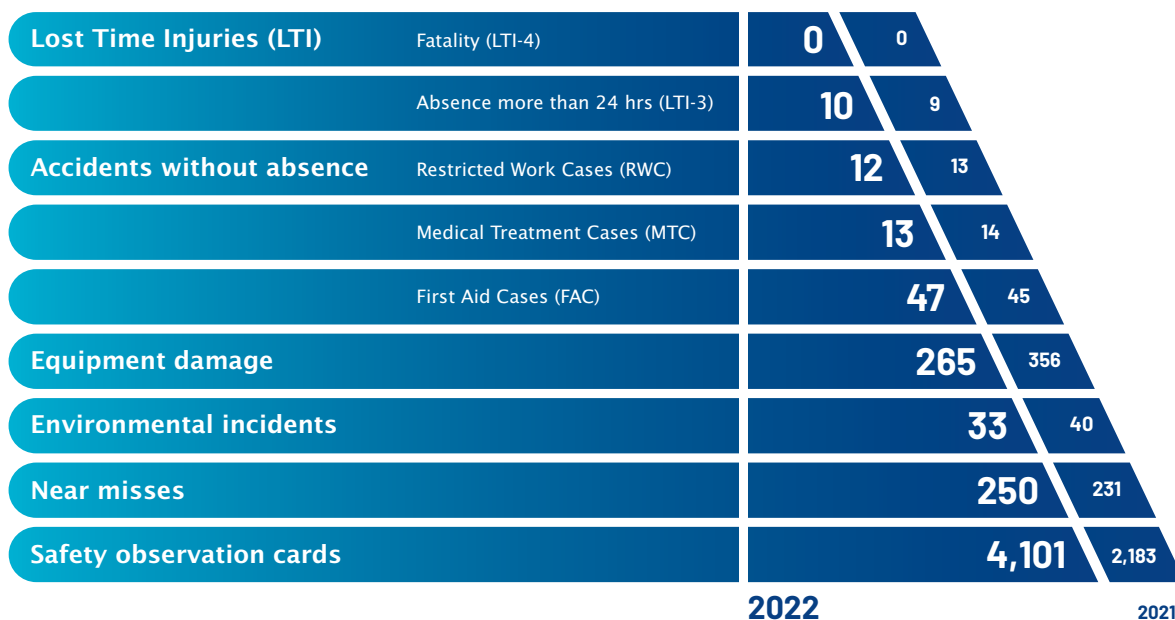
- CO₂ performance ladder, level 5 – in the Netherlands;
- Safety Culture Ladder, level 4 – Van Oord Netherlands B.V., Van Oord Offshore B.V., Van Oord Offshore Wind B.V.;
- SCC certificate (Safety Checklist Contractors) – in the Netherlands;
- BRL7000 certificate for soil remediation – in the Netherlands.

* 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.

The safety management system of Van Oord complies with the requirements of the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code).

In December 2022, Van Oord’s information security management system (based on ISO 27001:2013) was externally audited by LRQA. The audit result was positive and the certificate will be issued in 2023.

HSE statistics



Employee representation



In the Netherlands, a Works Council promotes and protects the interests of the company's employees. The Works Council has a 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. At Van Oord, the Works Council meets at least 6 times a year.

In order to protect the interests of our employees, the Works Council requests information on a wide variety of topics. At every meeting, we discuss the general state of affairs of Van Oord, including financial performance, market conditions, the status of investments and concerns related to ongoing projects. In addition, we pay close attention to the implementation of our strategy Building the Future Together. In 2022 we held 9 meetings and met with several heads of department on Van Oord's approach to information security, talent acquisition and high-performance leadership.

Ongoing dialogue

The Works Council is also an important platform for communicating signals from the workplace to management. We do this by staying informed and engaging in dialogue with management. An important topic in 2022 was the impact of inflation. The Works Council expressed concerns about the rising cost of living on people's financial well-being. Constructive conversations with HR and the Executive Committee resulted in an intermediate salary increase of 4% for all employees. We were pleased with the Executive Committee's decision. We also know that the increase will not solve the financial concerns of all employees. We encouraged HR to create a safe environment for employees to come forward with these concerns.

From the perspective of well-being, the sick leave rate is always a key area of concern for the Works Council. We are seeing more long-term absences and we see a growing number of vessel crew members are reporting sick.

Van Oord brought on 2 specialists to support employees in their return to work. The Works Council has scheduled 2 meetings in 2023, in which we hope to learn more about the underlying causes of these long-term absences and what preventative measures Van Oord will take.

Requests for consent

We received and responded to the following requests for consent in 2022:

- We agreed to an adjustment in the Collective Defined Contribution (CDC) budget for the pension scheme for the staff employees. The request enabled a one-time payment by the company towards the fund. This payment was necessary to maintain the level of quality of the current pension scheme.
- We agreed to the updated protocol on undesirable behaviour and the appointment of confidential counsellors. The request was submitted in December 2021 and approved in 2022. We have included additional information below.
- We agreed to determine the collective holiday entitlements.
- Finally, we agreed to extend the compensation policy for project staff to employees in the IT department.

Protocol undesirable behaviour

The Works Council reviewed and consented to the revised protocol for undesirable behaviour. The Works Council is pleased with the new protocol. By replacing legal jargon with everyday language, the new protocol promotes a shared understanding of Van Oord's policies. The Executive Committee followed our advice to increase the number of confidential counsellors and is accepting volunteer applications. Selected applicants have since undergone training. As a next step, the organisation plans to extend the role of confidential counsellors to Van Oord's branch offices.

Requests for advice

We received several requests for advice on major decisions and measures:

- We held an extra Works Council meeting on a proposed partnership and investment between Van Oord and a third party. We were informed in good time and set up a working group to review the request and ask questions.
- At the end of the year, we were consulted on the proposed upgrade of the heavy-lift installation vessel Svanen. The upgrade will prepare the Svanen for the installation of larger, higher-capacity turbines and corresponding foundations. The review is ongoing.
- We received a request for advice on several exemptions for the newly ordered water injection dredgers and cable-laying vessel Calypso, which are currently under construction. These exemptions enable Van Oord to deviate from the standard design requirements. Based on the thorough explanation and information provided, we advised positively on the requested exemptions.

Training

We held our annual Works Council training session in June. The main theme in 2022 was corporate culture. The experiences, opinions and concerns of our employees with regard to this theme are very valuable, and we therefore conducted a survey on our culture. The responses of 115 employees were evaluated and shared with the Executive Committee. One important topic was the barrier to raising issues for discussion. We are committed to empowering employees to speak openly by creating a culture in which people feel safe to do so. Other topics concerned the impact of our growing and changing organisation on our culture. For example, how do we promote collaboration between the

various business units? How do we bridge the gap between management and the workforce? And what does the next generation of Van Oord employees need to do to reach their full potential? These are all relevant topics as Van Oord rolls out its HR strategy The Right People. The Human Resources Committee reported the insights from the training session to HR. The Executive Committee is also closely involved in the corporate culture pathway.

COVID-19

COVID-19 remained high on the agenda in the first few months of 2022. We stayed informed on any travel restrictions and quarantine requirements that might impact our employees, and we worked closely with management to ensure proper accommodation for people in quarantine. In addition, the Works Council regularly reviewed the working-from-home policy. We have received positive feedback on the policy and the clarity it provides to existing and potential employees. The policy will be reviewed periodically moving forward.

Outlook

The Works Council will continue to look after the interests of all employees. We are paying attention to the results of the annual Organisational Health Index survey. The survey results provide valuable insights into employee well-being and inform our council's priorities. In 2023 we will conduct more frequent and structured meetings with the Supervisory Board, which plays a large role in strategic decisions and developments. We look forward to many more constructive conversations with the organisation and to contributing to a positive and strong company culture.



Our **Say YES to Safety programme** promotes a proactive safety culture and we continue to work towards a sustainable and mature safety culture.

Corporate governance



Cable laying vessel Nexus loading cables in port of Taichung, Taiwan.

Van Oord aspires to the standards of good corporate governance and seeks to consistently enhance and improve its governance.

The company's management and supervision are organised under Dutch law in a so-called two-tier system, comprising an Executive Committee and a Supervisory Board.

Executive Committee

The Executive Committee consists of 7 members: 2 statutory directors (Chief Executive Officer and Chief Financial Officer), the Chief People Officer and the 4 Managing Directors of the 4 business units. The Executive Committee is responsible for the corporate governance structure and for the overall management of the company, in line with the interests of the company and its associated operations, and its 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 the strategy, complying with all relevant legislation, managing risks associated with operational activities, and the company's finances. The Executive Committee reports on these matters to, and discusses internal risk management and monitoring systems with, the Supervisory Board. In principle, its members meet at least once every month.

The company has voluntarily applied a mitigated large companies regime. Contrary to the large companies regime, the General Meeting of Shareholders – and not the Supervisory Board – 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 remuneration and terms of employment of all Executive Committee members are adopted by or aligned 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 as relevant and appropriate.

Each member is qualified to express an opinion on the main outlines of overall policy, and each member 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 with respect, for example, to gender and age. A member is only appointed 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 in a satisfactory manner. He or she 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 or she ensures that the General Meeting of Shareholders proceeds in an orderly and efficient manner.

The Supervisory Board has at least 5 members and meets at least 6 times a year. The Supervisory Board has a separate Audit Committee, Human Resources Committee, Large Capital Expenditure 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 Supervisory Board, the number of 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 Executive Committee, the Supervisory Board and senior management of the company. Diversity in the corporate bodies remains an important goal for the Executive Committee and the Supervisory Board.

As of 1 January 2022, a bill on gender diversity entered into force. So-called 'large' N.V.s (and B.V.s) need to set appropriate and ambitious gender balance targets for the management board, supervisory board and senior management levels. The company accounts for this in the chapter The Right People in its management report.

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 (such as investments 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 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 2 times a 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 appoint an auditor for the audit of the annual accounts each year. The appointment of the external auditor is listed as a separate item on the agenda for the annual meeting.

Group Internal Audit

A Director Internal Audit has been appointed by the company. He is responsible for the Internal Audit function and the Group Audit strategy realisation. The focus is on conducting risk-based internal audits in projects and corporate processes in order to contribute to achieving Van Oord's strategic objectives. Additionally, the role involves supporting the organisation in further strengthening risk management and internal controls, and intensifying the awareness of management control.

Works Council

The Works Council represents the employees on the Dutch payroll. The company's Works Council has 21 members and meets at least 6 times a year with the Chief Executive Officer and Chief People Officer. The Works Council has a right to prior consultation on major decisions and measures, and the right of consent on certain changes regarding terms of employment.

Corporate Governance Code

Companies listed on the Dutch stock exchange are required to report on their compliance with the applicable 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



Van Oord is embedding risk management at every level of the organisation. The investments in risk management, from the establishment of risk committees to the streamlining of processes and systems, support a collaborative way of working and shared responsibility.

Our vision on risk management

Our comprehensive approach to risk management aligns with our strategy Building the Future Together and is essential to achieving our ambitious goals.

To be a high-performance organisation, we must take risk. And we must do so in a controlled manner. This is especially applicable to Van Oord given the inherently risky nature of our activities and the environment we are operating in. Therefore, being aware of risk in our day-to-day activities is in our DNA. Moreover, risk management is a key element of our corporate structure and governance. As such, it is integrated into our performance management, from project to strategy execution. Van Oord's integrated approach towards risk management is rooted in shared responsibility and accountability. We manage risk at the corporate, business unit and project level, and we involve colleagues from all key areas of the organisation. In addition, we put processes in place to ensure alignment between our various risk functions and activities.

Over the years we have worked to intensify our risk management efforts. We launched the Lessons Learned programme in 2021 to determine opportunities for improvement. We have used the findings from this programme to strengthen our overall risk management and governance structure, which culminated in the creation of the Integrated Risk Management (IRM) framework.

Integrated Risk Management framework

Van Oord's Executive Committee is responsible for maintaining a comprehensive system of risk management and internal control, and for regularly reviewing its effectiveness. The IRM framework encompasses and helps organise all risk management activities within Van Oord. The IRM framework demonstrates that risk management is fully part of Van Oord's governance structure and operating model. The IRM framework is based on the global accepted standards of ISO 31000 and COSO.

Context

Strategy & objectives

As a global marine contractor with over 150 years of experience, we deliver long-term stakeholder value and client satisfaction by exceeding client expectations through our synergistic portfolio of maritime businesses. We focus on dredging and marine construction, offshore wind, offshore infrastructure, and infrastructure in the Netherlands. We are an asset-enabled, knowledge-driven high performance organisation with focus on The Right People, sustainability, and digitalisation.

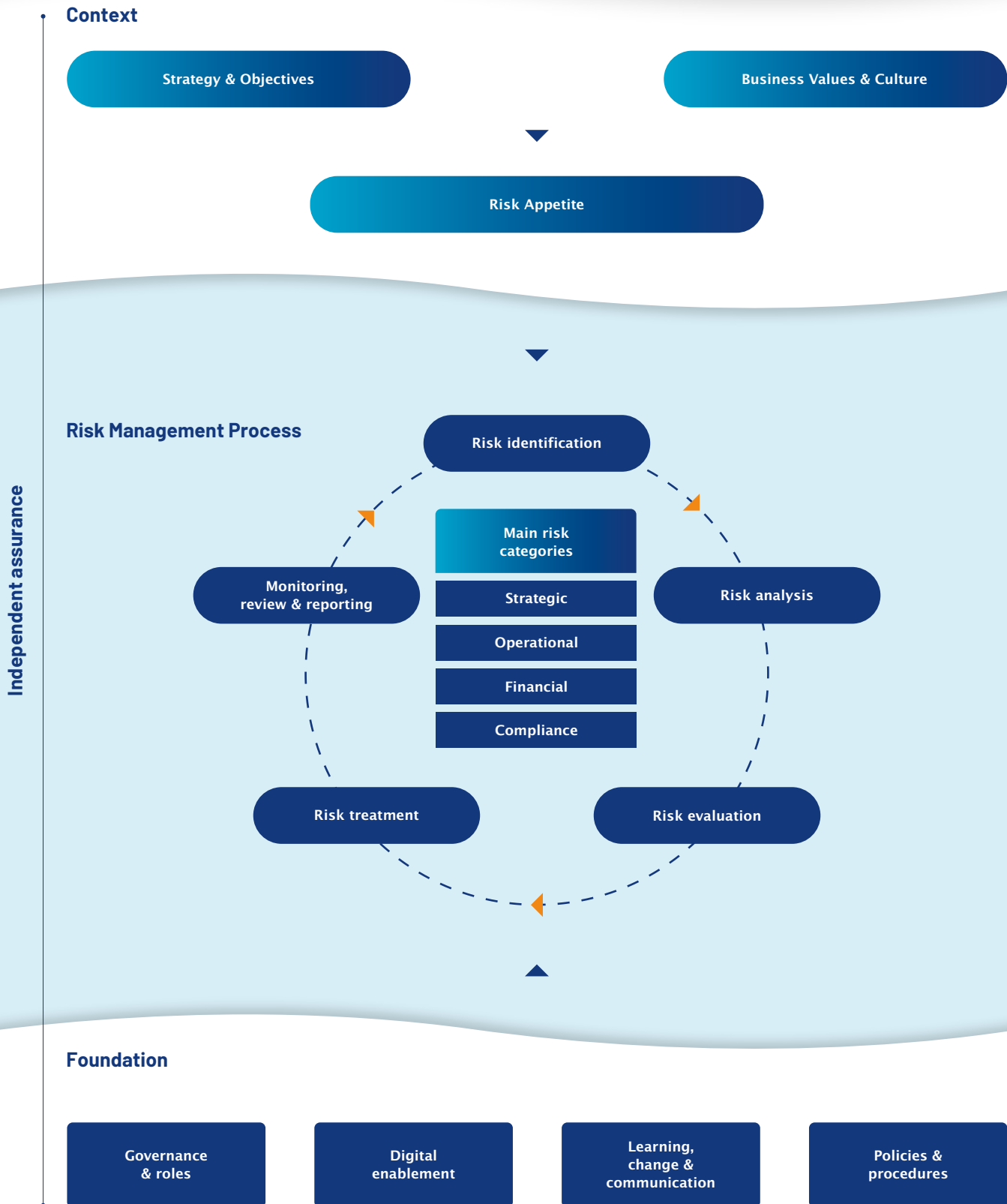
Business values & culture

Our values are: we create, we care, we work together and we succeed. We are an asset-enabled, knowledge-driven high performance organisation with focus on The Right People, sustainability, and digitalisation. We work safely and partner with our clients and stakeholders to create innovative and sustainable solutions. Our purpose is to create a better world for future generations by delivering Marine ingenuity.





Risk appetite

Risk appetite is 'the level of risk that Van Oord is prepared to accept in pursuit of its objectives before action is deemed necessary to reduce the likelihood of a risk event'. The previous elements are decisive for our risk appetite. Van Oord actively uses its risk appetite to improve decision-making throughout the organisation. The risk appetite is updated on a regular basis. We distinguish 4 main risk categories: Strategic (including external risks), Operational (including project risks), Financial and Compliance. Within these main categories, risks are further broken down into more detailed risk categories. It includes the business controls which are supported by policies, standards, procedures and guidelines as recorded in Van Oord's Management System. All of which target risk mitigation in accordance with Van Oord's risk appetite and the pursuit of its strategy and related business objectives. In order to ensure consistent scoring, Van Oord uses a 4-point scale to define its risk appetite.


Our IRM Framework




Risk appetite scale

 Averse	 Cautious	 Balanced	 Open
Focus on protecting value and avoidance of risk and uncertainty as much as possible.	Preference for very safe business activities and strategies or where risk taking has no chance of any significant consequences.	Preference for safe business activities and strategies, careful and extensive evaluation of information before making decisions and risk taking only with a proper control regime in place.	Willing to consider business activities and strategies with minimal information as long as the upside/reward is high and only if appropriate steps have been taken to minimise exposure.

Overall risk appetite

 **Overall**

As a family business with more than 150 years of heritage, we have a long-term perspective in doing business and creating value for our stakeholders. Additionally, we are ambitious, have an entrepreneurial spirit and want to be innovative. Therefore, we need to take risks to stay competitive in the market (e.g. the introduction of new vessels with new technology and capabilities), which asks for significant investments and a long-term perspective. As a result, Van Oord has a relatively open stance towards taking risks as this is directly related to generating rewards. However, risks are carefully considered, with proper controls in place. Van Oord's risk profile is broken down into 4 main risk categories for each of which we have defined our risk appetite.

 **Strategic**

Van Oord has to deal with a volatile, uncertain, complex and ambiguous world. We cannot control major global developments, but we can anticipate and manage their potential consequences to the best of our ability. These include for example inflationary pressures, supply chain issues, geopolitical instability such as the war in Ukraine and deglobalisation. On the one hand, we must cope with these external and inherently impactful risks in a smart way and consider what is reasonably feasible. On the other hand our company's purpose and ambitious goals around sustainability, people and digitalisation introduce strategic risks. These themes are at the heart of Van Oord's business, our ability to deliver Marine ingenuity. Therefore, Van Oord maintains a balanced risk appetite in executing its strategic agenda.

 **Operational**

As a global marine contractor, Van Oord aims to deliver long-term stakeholder value and client satisfaction by exceeding client expectations through our synergistic portfolio of maritime businesses.. Exceeding client expectations asks for a certain level of risk-taking. Because we naturally hedge these risks by diversifying our business activities and carefully considering and managing risks, our risk appetite is cautious to balanced. Both the opportunities and the investments in Offshore Wind are tremendous. Therefore, our risk appetite for our Offshore Wind activities is slightly higher than our risk appetite for activities within the more mature Offshore, Dredging and Netherlands business units. Furthermore, for certain operational risks like safety and cyber security, we maintain an averse risk appetite. Our strong focus on smart and innovative solutions in addition to the efficient utilisation of our modern assets will further contribute to reducing our operational risk appetite.

 **Financial**

Van Oord strives for a healthy return on investment for all its projects and optimises the risk-reward balance in its portfolio. Van Oord wants to invest (time and money) in innovation and new assets, even in times when results are under pressure. Investments are financed with money earned from maintaining a limited level of debt. With a strong focus on maintaining solvability and a healthy cash flow, ensuring all (bank) covenants are met. We also apply high standards for financial reporting and tax compliance. With the longer-term focus and given the substantial business opportunities ahead, Van Oord keeps a close watch on a proper balance between a healthy financial situation and the willingness to invest in the ambition of the company. Van Oord is averse to cautious with regards to its financial appetite.

 **Compliance**

Van Oord has zero tolerance for non-compliance and not acting with integrity. As a family-owned company, it has a strong commitment to proper behaviour and ethical business, leading by example and acting in accordance with laws and regulations. Van Oord is aware that it operates in an international and competitive environment, which asks for the well-considered application of (sometimes ambiguous) rules and regulations. Hence, Van Oord maintains an averse risk appetite with regards to compliance.

Risk Management Process

We are reviewing and revising our risk management processes. This includes harmonising processes and aligning our way of working. Priorities include establishing consistent terminology, optimising risk management fundamentals and formalising the integrated risk management process. Our risk management process includes risk identification, risk analysis, evaluation, monitoring and reporting. In 2022 we conducted extensive risk mapping to create risk registers at the corporate, business unit and project level.

Risk identification – key risks

Regular risk assessments are performed, both on the corporate level and on the business unit level. As a result, Van Oord's risk profile and mitigation measures are dynamic and adapt to the actual business reality.

On page 102/103 you will find the most recent list of key risks for Van Oord based on the assessments and information from external sources. Van Oord's IRM framework ensures Van Oord's key risks are managed properly.

Risk Management Foundation

In improving our overall risk management, our IRM foundation is the basis for strengthening our risk management approach. The foundation has 4 elements:

1. Governance & Roles
2. Digital enablement
3. Learning, Change & Communication
4. Policies & Procedures

We are improving these elements in phases. In 2022 we focused on the element Governance & Roles to improve risk management at the corporate, business unit and project level.

1. Governance & Roles

We are strengthening risk management ownership and accountability at various levels within our organisation. We expanded the role of the risk committees and improved our project risk management. Our stacked approach to risk management involves every level of the organisation, from the group level to the project level. The IRM Framework ensures alignment between all levels.



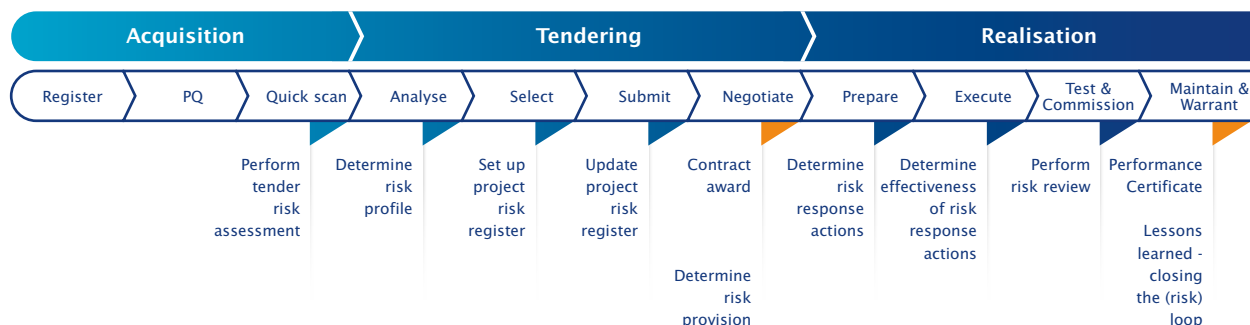
Risk committees

The corporate risk committee was active throughout 2022. We also installed risk committees at the business unit level. The objective of the business unit risk committees is to assist the management team in fulfilling its responsibilities in managing the business unit's risk profile. To provide direction, we developed charters that outline each committee's objectives, scope, composition, responsibilities, mandate and way of working. In addition to discussing risks, the committees assess opportunities that contribute to Van Oord's strategic objectives. The composition of these risk committees ensures that all key areas of the organisation are represented.

Project risk management

As part of the implementation of our IRM framework, we continue to improve risk management on a project level. Our project risk management processes include the stage gate approach, risk categorisation and risk registers.

Stage gate approach to project risk management



1.1 Stage gate approach

We systematically manage risks in the acquisition, tendering and realisation phase of each project via our stage gate approach. The figure lists the risk management activities per phase. The process is designed to detect risks early and to respond swiftly and appropriately. The goal is to manage all risks before they present significant challenges.

1.2 Project risk categorisation

In 2022 we further optimised our project risk categorisation system. This system takes into account various project characteristics, such as its geographical location, whether it is a routine or first-time project, and the involvement of subcontractors. Based on its characteristics, projects are assigned an A, B, C or D risk category. The rating determines the risk management approach, including the resources that will be dedicated to risk management and the follow-up actions. The project categories are aggregated into a portfolio risk view. This system provides objective risk information based on data, independently from Van Oord’s commercial view on the project.

1.3 Preliminary risk register

In addition, we have conducted extensive risk mapping to create risk registers at the corporate, business unit and project level. Moving forward, every project – including projects in the tender phase – will have a preliminary risk register, which will be automatically generated based on the project’s characteristics. This preliminary risk register ensures that lessons learned from previous projects are carried forward to new projects. It is not intended to replace a comprehensive risk evaluation. The preliminary risk register will be expanded upon by the tender and project teams.

2. Digital enablement

In line with our digital strategy and our Founding the Future programme, a key element for an efficient and effective

operation of our risk management activities is the effective usage of data and the support of a fit-for-purpose risk management tool. This will support risk-based decision-making through effective reporting and monitoring of key risk data at every level of the organisation.

3. Learning, Change & Communication

The most essential part of our improvement initiatives is the embodying of risk management by all our employees, irrespective of the role they have in the organisation. Learning, change and communication are essential to making employees accountable and involving them in the improvements. A change & communication plan and training curriculum will support the further roll-out and implementation efforts of our IRM framework.

4. Policies & Procedures

To sustain the improvements made in our IRM framework, we are updating and extending our policies & procedures to reflect the latest standard in our risk management way of working and make them easily accessible and readable for all employees.

Outlook

In 2023 we will continue to improve our IRM framework. Risk reporting will be further integrated into our business reporting cycle, supporting risk awareness in our organisation.

In addition, we will continue our assessment of the Digital enablement requirements for Van Oord’s risk management system. Finally, we will develop a robust Learning, Change & Communication programme to provide employees with the support they need to participate in our risk management activities. We will align our efforts with the Founding the Future programme and HR strategy The Right People.

Risk Category	Key Risk	Strategic priority related to the risk	Trend
Strategic	Economic conditions		
	The risk that economic conditions (e.g. inflationary pressures) in markets we currently serve could lead to a significant decrease in growth opportunities or impact margins for Van Oord, resulting in loss of competitiveness and/or decrease in financial performance.	General / External environment	↑
Strategic	Geopolitical instability		
	The risk that evolving changes in the geopolitical space (e.g. wars/armed conflicts, post-Brexit implications, trade wars, border restrictions and shifting multilateralism), could lead to a negative effect on Van Oord's ability to operate in international markets.	General / External environment	↑
Strategic	Technology adoption		
	The risk that the rapid speed of disruptive innovations enabled by advanced technologies (e.g. artificial intelligence, automation in all of its forms) lead to Van Oord falling behind in digitalisation, resulting in a loss of competitiveness and reputation.	Operational excellence	=
Strategic	ESG		
	The risk that the increasing focus on climate change policies, regulations and expanding disclosure requirements could hamper Van Oord in maximising ESG business opportunities, resulting in reputational damage or missed opportunities.	Sustainability	↑
Strategic	Reputation		
	The risk that certain events both within or outside the control of Van Oord could lead to difficulties for the organisation in delivering on its promise of building on integrity and delivering Marine ingenuity at the highest level, resulting in negative reputational consequences.	General / External environment	=
Strategic	Innovation		
	The risk that Van Oord's innovations will not be successful, resulting in a decrease in client appreciation, market share and reputation.	Operational excellence	=
Strategic	Protectionism (deglobalisation)		
	The risk of increased protectionism (deglobalisation trend) could limit access of Van Oord to certain countries or markets (by raising high barriers for non-local players), preventing a level playing field and resulting in extra costs and reduced market share.	General / External environment	↑
Strategic	Culture		
	The risk that the deterioration of Van Oord's strong culture, characterised by a founder's mentality and entrepreneurship, could lead to reduced commercial effectiveness, employee motivation and management credibility.	General / External developments	=
Strategic	People and skills shortage		
	The risk that Van Oord is not able to attract and/or retain talent and employees with the right skills and diverse & inclusive (international) background, resulting in talent/skills shortage and unbalanced workforce.	People	=

Risk Category	Key Risk	Strategic priority related to the risk	Trend
Operational	Supply chain disruptions		
	The risk that uncertainties surrounding the supply chain, including the viability of key suppliers, scarcity of supplies, volatile shipping and delivery options, or stable prices in the supply chain ecosystem result in difficulties for Van Oord to deliver its products or services at acceptable margins.	General / External environment	↑
Operational	Cyber risk		
	The risk that Van Oord's IT infrastructure/systems could be disrupted, resulting in a breakdown of core operations and/or reputational damage.	General / External environment	=
Operational	Injuries		
	The risk that unsafe conditions at the project site could lead to accidents/incidents, resulting in (fatal) injuries.	Health & Safety	=
Operational	Project risks		
	The risk that Van Oord faces unforeseen risks in the tendering or execution of projects or in its overall project portfolio, resulting in a project performance that is not up to Van Oord's standards.	Operational excellence	=
Operational	Stacked complexity (in portfolio)		
	The risk of an increase in the level of stacked complexity of our project portfolio (e.g. complex projects, reliance on unique key assets), resulting in high negative financial impacts and capacity issues.	Operational excellence	↑
Financial	Financial reporting		
	The risk that Van Oord's financial statements contain material misstatements (e.g. tax, FX, cashflow) or fail to meet external reporting requirements which could lead to loss of confidence of key stakeholders (e.g. banks) and reputational damage.	Financial health	=
Financial	Management information		
	The risk of unreliable or limited availability of (non-) financial information could lead to Van Oord not having full insight into its (financial) performance, resulting in inadequate decision-making.	Financial health	=
Compliance	Compliance & Integrity		
	The risk that Van Oord's employees and contractors (first parties) involvement in intentional acts or omissions could lead to non-compliance with company policies (including code of conduct and business principles) or regulatory requirements, resulting in financial losses and/or regulatory repercussions and reputational damage.	Compliance & Integrity	↑
Compliance	Unfair contract conditions		
	The risk that the market imposes unfair contract conditions on Van Oord (e.g. shifting most or all risks which are beyond our control), resulting in negative financial performance and/or project delays.	Operational excellence	=



Compliance

To keep the German waterway Elbe at the right depth, our LNG trailing suction hopper dredger Vox Ariane performs maintenance dredging over a length of 109 km. In this project we combine fairway maintenance with protection of the hinterland by strengthening the dyke.

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 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 Code of Conduct for Supply Chain Partners. 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 6 people, all specialists in various ESG topics. The Compliance Director regularly liaises with external experts. The Compliance Director reports to the Executive Committee and to the Supervisory Board where appropriate. The end responsibility for compliance matters lies with the CEO.

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 2022 we continued to

develop and expand the CEP 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 agents in many countries to secure and execute projects. Some countries require us to employ an agent to provide local support. Intermediaries and agents perform a range of services for which they receive a percentage of the contract value, a success fee, or both.

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 and 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 our agents.

In 2022 Van Oord exercised its right to audit 2 of our agents. The result of one audit was that the agent had used a sub-agent for part of the work. The use of the sub-agent was not in accordance with the agency agreement, which required prior consent by Van Oord. Further investigations did not conclude that there was a breach of applicable legislation, or that the agent intended to breach the agency agreement. The non-compliance with the agency agreement was extensively discussed with the agent. As a lesson learned, Van Oord has initiated an onboarding process for new agents in order to make them more aware of what is expected and required of them.

No business will be conducted with intermediaries and agents without a contractual agreement on these guidelines and terms. 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. This policy deals with concerns of a general nature that can have an impact on Van Oord and society in general (such as: socially unsafe working conditions, structural discrimination and corruption). In this Reporting of Concerns Policy, we also have an independent external point of contact 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 have been 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 3 reports in 2022, which as of January 2023 are still in progress. These included:

- 2 reports on psychologically and socially unsafe working conditions;
 - 1 report on discrimination on racial and regional grounds.
- All reports are being dealt with appropriately.

Undesirable Behaviour Protocol

Van Oord believes strongly in maintaining a safe, pleasant, inclusive and non-threatening work environment. We have a comprehensive Undesirable Behaviour Protocol in place to help achieve this. This Protocol deals with issues of a personal (individual) nature (such as intimidation by managers and undesirable sexual behaviour). The protocol includes the appointment of confidential counsellors and a complaints commission. The confidential counsellors are Van Oord employees and receive appropriate training. The complaints commission is delegated to an external organisation with qualified independent professionals. We are executing a roadmap, which includes setting up a global confidential counsellors network.

The confidential counsellors received 11 notifications, of which 4 have not yet been closed out. The external complaints commission did not receive any complaints.

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 complying 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 continuously review our Sanctions and Export Policy. Present circumstances demand that we monitor sanctions on a daily basis.

Code of Conduct for Supply Chain Partners

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 Code of Conduct which describes our standards and requirements for suppliers and their supply chains.

These standards and requirements 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 doing so, 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 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. 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 managers, 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. 4 dilemma meetings were held in the Netherlands and 1 meeting was held in Jakarta with representatives from Indonesia, India, Singapore and Australia.

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 relevant legislation, including anti-bribery and corruption legislation or anti-money laundering legislation, could be material to our operational performance and cash flow in an individual accounting period.

Marginal da Corimba Project in Luanda, Angola

In 2022 Van Oord continued its social commitments in Angola in relation to the Marginal da Corimba project. We made contributions to the NGO SOS Habitat to help stricken families in the Areia Branca en Povoado communities. These contributions mainly related to basic goods and food. Furthermore, Van Oord is a member of Orange Corners in Angola; Orange Corners is an initiative of the Ministry of Foreign Affairs of the Netherlands that provides young entrepreneurs across Africa and the Middle East with training, mentorship, networking opportunities, funding and facilities to start their career or grow their businesses. In 2021 and 2022, Orange Corners Angola started with our contributions to prepare a tailor-made programme for the youth of the Areia Branca community, which focuses on incubation, training and micro-credits for entrepreneurs. The programme is to start in 2023.

Due diligence checks

In order to remain compliant, we also perform due diligence checks within our supply chain. The process is risk based and is applied to agents, new suppliers, new subcontractors and new partners. Sanctions due diligence checks are being checked weekly on approximately 100,000 suppliers. Reputational due diligence was performed on 103 suppliers and 63 potential new partners were part of a reputational due diligence check. Reputational due diligence checks on clients amounted to 35. All issues arising out of these due diligence checks (Red Flags) were handled in an appropriate and compliant manner.

External compliance monitor

In order to verify the solidity of our compliance function, we have voluntarily engaged an independent external Compliance Monitor. The Compliance Monitor assesses our compliance programme, highlights areas for improvement and monitors the progress of improvement actions taken.

The external Compliance Monitor came up with the following recommendations:

1. Consider having the Business Units report to the Executive Committee on compliance matters (now the reporting is primarily done by the Compliance Function).
2. Consider providing monthly Compliance review overviews to the Managing Directors of all Business Units instead of to management Dredging only.
3. Consider creating a network of Compliance Contact Persons to improve the visibility and impact of the Compliance Enhancement Program in the Business Units.
4. Explore options to apply Compliance Enhancement Programme-related Key Performance Indicators to Business Unit management and implement them in the context of the Van Oord Annual Planning.
5. Consider developing, testing and implementing a Compliance Risk Assessment methodology and process.
6. Clarify the scope of the Incidents Handling Procedures and include the Compliance-related version in the Van Oord Management System.
7. Keep the network of Trusted Independent Persons/ Confidential Counsellors accessible, updated and visible.
8. Consider additional communication and reinforce Compliance Enhancement Programme (co)ownership at a local level, to also be included in the Compliance Awareness & Communication Plan 2023.
9. Maintain a register for requests and approvals for gifts and hospitality.

Compliance enhancement next steps

In 2022 and thereafter, the Van Oord compliance team will continue to implement and develop the Compliance Enhancement Programme including the following activities:

- Implementation of the ISO 26000, 37301 and 37001 norms for Social Responsibility, Compliance Management and Anti-Bribery and Anti-Corruption.
- Implementation of the recommendations of the external Compliance Monitor.
- Continuation of dilemma meetings on location, with an emphasis on our responsibility for and relation with business partners, and Corporate Social Responsibility.

- Van Oord is committed to using 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.

ESG working groups

In order to comply with the requirements from the OECD Guidelines for Multinational Enterprises, Environmental, Social and Governance (ESG) due diligence and management of risks needs to be performed and documented. The update of the ESG Due Diligence process within the Van Oord Management System and the initiation of ESG working groups (ESG WG) are part of this due diligence and management process.

With the set-up of ESG working groups, Van Oord pro-actively gathers the necessary information to monitor the progress of ESG compliance and due diligence for projects with ESG elements with a higher or more sensitive character. A narrative with accurate up-to-date project information is created by a multidiscipline team, uniting the tender/project team with staff departments to be able to have one multidisciplinary truth. This way, the ESG WG is able to assist projects on sensitive and difficult topics by assessing risks and deciding on appropriate measures to deal with possible adverse effects. An ESG working group also provides a basis for project and Business Unit Management to discuss sensitive topics with clients, creating awareness for the topics and allowing Van Oord to provide assistance on these issues.

In 2022, 13 ESG WGs were active of which 11 were still active at the end of the year.

Trailing suction hopper dredger HAM 318 maintaining the Santos port, Brazil.



Financial statements

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Van Oord's offshore installation vessel MPI Resolution installing secondary steel to complete the foundations for the Hollandse Kust Noord wind farm in the Netherlands.



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 2022	31 December 2021
Fixed assets			
Intangible fixed assets	1.	9,019	18,282
Tangible fixed assets	2.	1,825,871	1,684,149
Financial fixed assets	3.	55,424	84,542
		1,890,314	1,786,973
Current assets			
Stock		63,784	56,175
Work in progress *	9.	227,008	97,012
Receivables	4.	457,458	425,298
Cash at bank and in hand	5.	400,393	372,637
		1,148,643	951,122
Total assets		3,038,957	2,738,095
Shareholders' equity	6.	984,504	914,885
Provisions	7.	211,188	219,938
Long-term liabilities	8.	578,770	434,923
Current liabilities			
Work in progress *	9.	484,356	502,412
Other liabilities	10.	780,139	665,937
		1,264,495	1,168,349
Total shareholders' equity and liabilities		3,038,957	2,738,095

* comparative figures 2021 have been restated, reference is made to Revised accounting standards (page 114)

Consolidated profit and loss account

(x EUR 1,000)

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

		2022	2021
Net revenue	11.	2,020,815	1,516,635
Costs	12.	-1,608,619	-1,319,931
Depreciation of tangible fixed assets	2.	-156,146	-155,537
Amortisation of intangible fixed assets	1.	-9,263	-9,254
Total cost of work		<u>-1,774,028</u>	<u>-1,484,722</u>
Gross profit	12.	246,787	31,913
General and administrative expenses	13.	<u>-169,225</u>	<u>-135,701</u>
Operating profit (loss)		77,562	-103,788
Net interest expense	14.	<u>-10,124</u>	<u>-8,296</u>
Profit (loss) before taxation		67,438	-112,084
Income taxes	15.	-7,314	43,732
Share in result of participating interests	3.	<u>239</u>	<u>5,919</u>
Net profit (loss)		60,363	-62,433

Consolidated cash flow statement

(x EUR 1,000)

	2022	2021
Cash at bank and in hand at 1 January	372,637	268,424
Cash flow from operating activities	61,808	49,729
Cash flow from investing activities	-186,565	-97,870
Cash flow from financing activities	143,257	174,007
Net cash flow	18,500	125,866
Exchange and translation gains and losses	9,256	-21,653
Increase/(decrease) cash at bank and in hand	27,756	104,213
Cash at bank and in hand at 31 December	400,393	372,637
Operating result	77,562	-103,788
Adjusted for:		
Depreciation of tangible fixed assets	156,146	155,537
Amortisation of intangible fixed assets	9,263	9,254
Result on sale of participating interest	-7,152	-54,484
Changes in working capital		
- Decrease/(increase) stock	-7,609	-4,306
- Decrease/(increase) receivables	-27,429	-58,820
- Increase/(decrease) work in progress	-148,052	212,727
- Increase/(decrease) other liabilities	44,052	-10,723
	-139,039	138,878
Changes in provisions	-8,750	-83,356
Cash flow from business operations	88,030	62,041
Interest paid	-9,158	-7,786
Income tax paid	-17,064	-4,526
Cash flow from operating activities	61,808	49,729
Additions to tangible fixed assets	-226,876	-208,410
Divestments of tangible fixed assets	9,283	5,723
Investments in financial fixed assets	-2,837	-3,844
Receipts from financial fixed assets	33,865	108,661
Cash flow from investing activities	-186,565	-97,870
Dividend paid	-	-15,963
Repayment of loans	-56,503	-40,030
Proceeds from loans	199,760	230,000
Cash flow from financing activities	143,257	174,007

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. The financial statements have been prepared upon a going concern basis.

Reporting period

The financial statements cover the financial year ending on 31 December 2022.

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.	Rotterdam
Van Oord Nederland B.V.	Rotterdam
Van Oord Offshore Wind B.V.	Gorinchem
Van Oord Offshore B.V.	Gorinchem
Van Oord Equipment B.V.	Gorinchem
Van Oord Finance B.V.	Rotterdam

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 been filed declarations of joint and several liability with the Chamber of Commerce and includes contracting consortiums in the Netherlands (VOF's) 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 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 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.

Revised accounting standards

The Dutch Accounting Standards Board (DASB) has issued 2 revised Standards, RJ 221 Construction Contracts and RJ 270 The Income Statement, which are effective as from 1 January 2022. The Company has applied the transitional method in which the changes as a result of RJ 270 are processed prospectively and effectively from 1 January 2022.

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. 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 flows 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.

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 realizable 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% is held, are stated at 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 operational 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 at nominal value 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.

The net amount for each contract is recognised as a current asset or a current liability where the balance of the construction contract is positive or negative, respectively.

Other liabilities

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

Pensions

The new principle pension plan is carried out by pension fund PGB and 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 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 2022 is 113.2% (116.8%). 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

General

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.

Performance obligations

Revenue is recognised per separate performance obligation. The nature of significant performance obligations and the method of allocating revenue to reporting periods, including the method of determining the extent of completion is described below. These performance obligations are the most significant ones, however, performance obligations are identified on a contract basis and can therefore differ from the below mentioned significant ones.

In general the following performance obligations are distinguished:

- Construction, for which revenue is recognised based on the percentage of completion method;
- Maintenance, for which revenue is recognised based on the percentage of completion method.

For balance of plant contracts, generally the following performance obligations are distinguished:

- Procurement, for which revenue is recognised based on the transfer of titles;
- Execution/installation, for which revenue is recognised based on the percentage of completion method.

Percentage of completion method

If the outcome of a construction contract can be reliably estimated, project income and costs from the contract are recognised in the income statement as revenue respectively costs pro rata to the extent of the work performed at the balance sheet date. The percentage of completion is generally determined based on the contract costs incurred in proportion to the estimated total contract costs.

If the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that are probably recoverable. The contract costs are recognised as an expense in the income statement in the period in which they are incurred.

Transfer of titles

When procured goods are legally transferred to the customer, the related revenue is recognised.

Transaction price

Revenue is recognised for the amount to which group expects to be entitled in exchange for the transfer of promised goods or services. If there are multiple performance obligations in a contract, the total transaction price is allocated to the performance obligations in proportion to the value of the performance obligations.

Contract modification

An amendment to a contract is accounted for as a separate agreement if there is:

- An addition of promised goods or services that are distinguishable; and
- An increase in the originally agreed consideration by an amount that reflects the value of the additional goods or services promised, taking into account appropriate adjustments to that consideration in line with the circumstances of the particular contract.

Other amendments are accounted for based on the following:

- If the remaining goods or services are distinguishable from those transferred on or before the date of the amendment, the amendment is accounted for as a termination of the existing contract and the creation of a new contract.
- If the remaining goods or services are indistinguishable and therefore part of a single performance obligation that is partially satisfied at the time of the amendment, the amendment is accounted for as an amendment to the existing contract. The effect of the modification on the transaction price and on the measurement of the progress towards fulfilment of the performance obligation is recognised as an adjustment to the cumulative revenue at the time of the modification.

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	2022	2021
Book value at 1 January	18,282	27,575
Amortisation	-9,263	-9,254
Other movement	-	-39
Book value at 31 December	9,019	18,282
Cost	149,346	149,346
Accumulated amortisation	140,327	131,064

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

The maximum amortisation period is 20 years.

2. Tangible fixed assets 2022	Land and buildings	Floating and other contracting equipment	Vehicles, fixtures and fittings	Assets under construction	Total
Book value at 1 January	75,258	1,261,222	16,484	331,185	1,684,149
Additions	9	2,487	282	304,373	307,151
Assets taken into operation and other changes	106	132,175	14,322	-147,146	-543
Disposals	-	-6,885	-130	-1,725	-8,740
Depreciation	-4,067	-144,289	-7,790	-	-156,146
Book value at 31 December	71,306	1,244,710	23,168	486,687	1,825,871
Costs	118,937	3,359,084	54,092	486,687	4,018,800
Accumulated depreciation	47,631	2,114,374	30,924	-	2,192,929
Depreciation period in years	8 - 25	4 - 20	5 - 10		

Tangible fixed assets 2021	Land and buildings	Floating and other contracting equipment	Vehicles, fixtures and fittings	Assets under construction	Total
Book value at 1 January	78,975	1,338,955	16,924	242,597	1,677,451
Additions	953	3,949	6,715	156,341	167,958
Assets taken into operation and other changes	-152	66,615	546	-67,753	-744
Disposals	-447	-3,773	-759	-	-4,979
Depreciation	-4,071	-144,524	-6,942	-	-155,537
Book value at 31 December	75,258	1,261,222	16,484	331,185	1,684,149
Costs	119,336	3,242,280	67,006	331,185	3,759,807
Accumulated depreciation	44,078	1,981,058	50,522	-	2,075,658
Depreciation period in years	8 - 25	4 - 20	5 - 10		

Assets under construction are not depreciated, unless the recoverable amount is lower than the carrying amount, which was not the case in 2022. Upon first use, these assets are properly categorised and depreciated in accordance with the accounting policies stated above.

As in previous years the company assessed whether as per 31 December 2022 there is objective evidence that an asset or group of assets is impaired. No triggers for impairment have been identified.

The insured value of tangible fixed assets at year-end 2022 amounted to EUR 3.3 billion (EUR 3.1 billion).

3. Financial fixed assets 2022	Participations	Loans	Deferred tax assets	Total
Balance at 1 January	8,609	19,930	56,003	84,542
Capital injections	179	-	-	179
Dividend received	-239	-	-	-239
Share in results	239	-	-	239
Disposals	-8,081	-	-	-8,081
New loans	-	2,465	-	2,465
Repayments	-	-18,393	-	-18,393
Impairment of loans	-	-1,600	-	-1,600
Additions	-	-	19,249	19,249
Releases	-	-	-22,461	-22,461
Other changes	-8	201	-669	-476
Balance at 31 December	699	2,603	52,122	55,424

Financial fixed assets 2021

	Participations	Loans	Deferred tax assets	Total
Balance at 1 January	40,369	32,584	7,745	80,698
Capital injections	506	-	-	506
Dividend received	-8,049	-	-	-8,049
Share in results	5,919	-	-	5,919
Disposals	-37,838	-	-	-37,838
New loans	-	3,422	-	3,422
Repayments	-	-7,177	-	-7,177
Impairment of loans	-	-1,000	-	-1,000
Other changes	7,702	-7,899	48,258	48,061
Balance at 31 December	8,609	19,930	56,003	84,542

The disposal includes our share in Two Towers B.V. This sale resulted in EUR 34 million of cash proceeds and EUR 7.2 million of book result in 2022. All loans provided to Two Towers B.V. amounting to EUR 18.4 million have been repaid.

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable. The deferred assets at year-end 2022

include positions of in total EUR 10.8 million which are expected to be settled within one year (2021: EUR 7.5 million).

The impairment of loans in 2021 and 2022 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.

4. Receivables

	2022	2021
Trade debtors	202,995	197,061
Other receivables	222,262	187,106
Prepayments and accrued income	32,201	41,131
	457,458	425,298

The total of the trade debtors is after deduction of a provision for bad debts of EUR 49 million (EUR 77 million).

5. Cash at bank and in hand

	2022	2021
Cash and bank	388,052	367,568
Deposit accounts	12,341	5,069
	400,393	372,637

Of the total of cash at bank and in hand at year-end 2022, EUR 50 million (EUR 50 million) relates to proportionally consolidated contracting consortiums and participating interests and EUR 15 million is considered trapped cash. At year-end 2021, of the total of cash at bank and in hand, EUR 14 million relates to a restricted bank account. The balance on this restricted bank account represented cash received from a customer on a specific bank account

in the name of the company at the respective federal treasury department. The amount was subject to specific regulations before further transfer of amounts to unrestricted bank accounts of the company was possible. The restricted bank balances was 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.:

	2022	2021
Shareholders' equity of Van Oord at 1 January	914,885	1,014,934
Consolidated profit (loss) attributable to Van Oord N.V.	60,363	-62,433
Translation differences arising on foreign participating interests	9,256	-21,653
Total direct changes in shareholders' equity of Van Oord N.V.	9,256	-21,653
Total profit (loss) of the legal entity	69,619	-84,086
Dividend	-	-15,963
Total distributions to shareholders	-	-15,963
Shareholders' equity of Van Oord at 31 December	984,504	914,885

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

7. Provisions

	1 January 2022	Addition	Utilisation	Release	Exchange differences	31 December 2022
Regular maintenance						
of fixed operating assets	94,681	94,698	108,368	-	-	81,010
Tax obligations	90,606	5,351	-	532	-651	94,775
Warranty obligations	34,651	4,708	3,348	608	-	35,403
	219,938	104,757	111,716	1,140	-651	211,188

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

The provision for tax obligations 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.

All provisions are generally long-term in nature.

8. Long-term liabilities

In 2019 an EU Private Placement of EUR 200 million was arranged consisting of 6 tranches with terms of 5 to 10 years. During 2022 EUR 50 million was repaid.

The Revolving Credit Facility has a principle amount of EUR 450 million. The maturity date was extended with another one year to July 2026 for EUR 405 million, with EUR 45 million maturing in 2024. At 31 December 2022 EUR 200 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 variable rate loans have been secured all maturing in 2025. The maturity date was extended with another 2 years to respectively May 2027 and July 2027. At year-end 2022 the loans were fully drawn.

In December 2021 Van Oord signed an EUR 100 million loan with a commercial bank based on ECB's TLTRO funding programme.

This loan has variable interest and a tenor of 3 years with an option to request for extension of the loan with a maximum of 2 years.

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 2022, the company was within the limits of the loan terms as agreed under the credit facility agreements (i.e. leverage ratio ≤ 3.5 and interest coverage ratio ≥ 4.0).

The average rate of interest on long term loans in 2022 was 1.6% (1.7%). The repayment of long term liabilities after 5 years until final maturity amounts to EUR 55 million (EUR 53 million). No direct security is provided for any of the loans including Green Loan Framework tranches & TLTRO loan.

9. Work in progress

	2022	2021
Cost of work in progress, profit recognised, provision for expected losses	3,424,159	2,839,947
Realisable value of work completed	-3,604,230	-3,158,816
Advance payments received	-77,277	-86,531
	<u>-257,348</u>	<u>-405,400</u>
Of which presented as current assets	227,008	97,012
Of which presented as current liabilities	-484,356	-502,412
	<u>-257,348</u>	<u>-405,400</u>

10. Other liabilities

	2022	2021
Trade creditors	174,833	142,155
Taxes and social security contributions	81,078	97,864
Various other liabilities	66,701	56,401
Accruals and deferred income	457,527	369,517
	<u>780,139</u>	<u>665,937</u>

Accruals and deferred income mainly concern accruals for project costs. The increase in 2022 compared to 2021 is mainly driven by accruals in relation to investments.

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 to be 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 16 million (EUR 5 million) is included under other receivables at 31 December 2022, which is released as soon as the hedged future cash flow occurs.

Interest rate risk

The EU Private Placement is of a fixed-interest nature. The Revolving Credit Facility is fully of a variable-interest nature. The Green Loan Framework and TLTRO loan also have a variable interest. The variable interest on these loans is based on 1, 3 or 6 months EURIBOR (with a floor of 0%) plus margins of 25 to 175 bps.

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 uses derivative financial instruments to hedge the interest rate exposure. Part of our floating interest has been hedged to a fixed rate by means of financial instruments. As per year-end 66% of our total interest on non-revolving loans is fixed until maturity of the respective loans.

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

Per 31 December 2022 (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%	400,393	-	-	-	-	-	400,393
EU Private Placement (EUR)	1.9%	-	-	50,000	45,000	-	55,000	150,000
Revolving Credit Facility (EUR)	1.9%	-	-	-	200,000	-	-	200,000
Green Loan Framework (EUR)	1.7%	-	-	-	13,000	117,000	-	130,000
TLTRO loan (EUR)	0.5%	-	100,000	-	-	-	-	100,000
Capitalised financing costs (EUR)		-591	-457	-161	-21	-	-	-1,230
Total long-term liabilities		-591	99,543	49,839	257,979	117,000	55,000	578,770

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

(x EUR 1,000)	EU Private Placement	Revolving Credit Facility	Green Term Loan	TLTRO loan	Other loans	Capitalised financing costs	Total
Book value at 1 January	200,000	-	130,000	100,000	6,503	-1,580	434,923
Repayment	-50,000	-	-	-	-6,503	-	-56,503
New Loans	-	200,000	-	-	-	-	200,000
Amortisation and other movements of financing costs	-	-	-	-	-	350	350
Book value at 31 December	150,000	200,000	130,000	100,000	-	-1,230	578,770

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 2022, the (nominal) amount of the forward exchange contracts at the forward rates was EUR 216 million (EUR 140 million). The (nominal) amount of the currencies to be received under these contracts at the exchange rates at 31 December 2022 was EUR 193 million (EUR 141 million).

Commitments, contingent assets and liabilities

Warranty commitments

The warranty commitments not included in the balance sheet amount to EUR 960 million (EUR 915 million) at year-end 2022. 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 the future be involved in - claims, procedures and (criminal) investigations, including regulatory, fiscal and other governmental, with possible financial and/or other consequences in the context of its business operations.

Events of non-compliance may result in regulatory or fiscal (criminal) 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 21.3 million (EUR 20.0 million). An amount of EUR 9.6 million will be paid in 2023. Total operational lease commitments amount to EUR 14.9 million, of which EUR 5.7 million will be paid in 2023. Commitments with a term longer than 5 years amount to EUR 0.0 million.

Capital commitments

Commitments relating to investments in tangible fixed assets amount to EUR 263 million (EUR 492 million) at the balance sheet date. An amount of EUR 88 million will be paid in 2023. 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 Committee, 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)

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

11. General

Net revenue on work carried out in 2022, including the company's share of revenue generated by the consolidated consortiums (excluding value added tax), amounted to EUR 2,021 million (EUR 1,517 million).

Breakdown revenue by geographical area	2022		2021	
Netherlands	585,698	29%	416,232	27%
Rest of Europe	852,159	42%	706,891	47%
Rest of the world	582,958	29%	393,512	26%
	2,020,815	100%	1,516,635	100%

Breakdown revenue by business unit	2022		2021	
Dredging	892,325	44%	726,693	48%
Offshore Wind	599,336	30%	347,198	23%
Offshore	207,671	10%	191,157	13%
Netherlands	321,483	16%	251,586	16%
	2,020,815	100%	1,516,635	100%

Wages and salaries

Wages, salaries and social security contributions in 2022 for employees of Van Oord and its group companies amounted to EUR 310 million (EUR 291 million). This is related to an average

of 3,824 (3,381) employees in full-time equivalents and can be broken down as follows:

	2022	2021
Wages and salaries	254,100	243,423
Social security contributions	28,824	25,002
Pension costs	27,131	22,982
	310,055	291,407

These costs only relate to employees on our own payroll. The above figures include wages, salaries, social security contributions and pension costs of EUR 58 million (EUR 53 million) relating to the companies consolidated on a proportional basis.

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

Remuneration of the members of the Supervisory Board and statutory directors totalled EUR 2.0 million (EUR 2.7 million).

Remuneration of the members of the Supervisory Board amounts to EUR 0.4 million (EUR 0.4 million) and statutory directors amounts to EUR 1.6 million (EUR 2.3 million).

Breakdown of average number of employees (fulltime equivalents)	2022		2021	
Employed in the Netherlands	2,468	48%	2,453	53%
Employed outside the Netherlands	1,356	26%	928	20%
	<u>3,824</u>	74%	<u>3,381</u>	73%
Hired personnel	1,355	26%	1,238	27%
	<u>5,179</u>	100%	<u>4,619</u>	100%

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 & organization, operations and area support, quality, health & safety & environment, finance & administration (including management support), communication, corporate affairs, internal audit, information technology, strategy & markets, engineering & estimating 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 of EUR 1.5 million (EUR 1.2 million) 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 2022 were EUR 0.1 million (EUR 0.3 million). Non-audit fees charged by Ernst & Young were EUR 0.0 million (2021: 0.5 million).

14. Net Interest expense

	2022	2021
Interest income	1,642	2,222
Interest expense	<u>-11,766</u>	<u>-10,518</u>
	-10,124	-8,296

The EU Private Placement is of a fixed-interest nature. The Revolving Credit Facility is fully of a variable-interest nature. The Green Loan Framework and TLTRO loan also have a variable interest.

15. Income taxes

This item includes both Dutch and foreign income 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):

	2022	2021
Weighted average nominal tax rate	22.4%	32.9%
Tax implications of:		
Use of losses available for set-off not accounted for	-17.9%	22.5%
Loss carry-forwards not accounted for	-16.2%	-29.9%
Tax-exempt profits and non-deductible expenses	11.9%	3.9%
Amortisation of intangible fixed assets	3.5%	-1.6%
Movements in provisions	7.1%	13.4%
Effective tax rate	10.8%	41.2%

Future loss relief corresponds to a tax amount of approximately EUR 76 million (EUR 59 million) which is not recognised as a deferred tax asset in the balance sheet of Van Oord. The set off of these losses are amongst others dependent on any future taxable profits. Of the total amount, around EUR 73 million (EUR 38 million) can in principle be carried forward indefinitely. EUR 3 million (EUR 21 million) relates to jurisdictions in which losses can be carried forward 3 to 10 years (average of 6 years) and based thereon the expiration of these losses is estimated to be on average approximately 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 2022	31 December 2021
Fixed assets			
Intangible fixed assets	a.	6,866	13,732
Financial fixed assets	b.	846,956	746,720
		<u>853,822</u>	<u>760,452</u>
Current assets			
Receivables		11	51
Amounts owed by group companies	c.	368,709	416,761
		<u>368,720</u>	<u>416,812</u>
Total assets		1,222,542	1,177,264
Shareholders' equity			
Paid-up and called-up share capital	d.	12,100	12,100
Share premium		270,400	270,400
Statutory reserves		-42,902	-52,159
Other reserves		684,543	746,977
Profit (loss) for the financial year		60,363	-62,433
		<u>984,504</u>	<u>914,885</u>
Long-term loans from group companies	e.	194,300	194,300
Current liabilities			
Amounts owed to group companies		5,321	1,607
Other liabilities		38,417	66,472
		<u>43,738</u>	<u>68,079</u>
Total shareholders' equity and liabilities		1,222,542	1,177,264

Company profit and loss account

(x EUR 1,000)

	2022	2021
Profit of participating interests after taxation	72,251	-35,383
Various income and expenses after taxation	-11,888	-27,050
Net profit (loss)	60,363	-62,433

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 2022	13,732
Amortisation	-6,866
Book value at 31 December 2022	<u>6,866</u>
Cost	137,320
Accumulated amortisation	<u>130,454</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
Balance value at 1 January 2022	521,124	194,300	31,296	746,720
Result of participating interests	72,251	-	-	72,251
Translation differences of participating interests	9,256	-	-	9,256
Other changes	-23	-	18,752	18,729
Book value at 31 December 2022	<u>602,608</u>	<u>194,300</u>	<u>50,048</u>	<u>846,956</u>

Long-term loans to group companies have a maturity per 31 December 2031 (interest of Euribor +1.2%).

The deferred tax assets are related to the tax loss carry-forward in the Netherlands to the extent that the realisation of the related tax benefit through future taxable profits is probable. The other changes reflect the recognition of additional deferred tax assets in 2022 as a result of the incurred tax loss.

c. Amounts owed by group companies

Amounts owed by group companies include EUR 366 million (2021: EUR 415 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 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	Statutory reserves	Other reserves	Undistributed result	Total
2022						
Balance at 1 January	12,100	270,400	-52,159	746,977	-62,433	914,885
Added to reserves	-	-	-	-62,433	62,433	-
Translation differences and other changes in participating interests	-	-	9,256	-	-	9,256
Profit (loss) for the financial year	-	-	-	-	60,363	60,363
Balance at 31 December	12,100	270,400	-42,903	684,544	60,363	984,504

	Paid-up and called-up share capital	Share premium	Statutory reserves	Other reserves	Undistributed result	Total
2021						
Balance at 1 January	12,100	270,400	-30,506	729,898	33,042	1,014,934
Added to reserves	-	-	-	17,079	-17,079	-
Dividend paid	-	-	-	-	-15,963	-15,963
Translation differences and other changes in participating interests	-	-	-21,653	-	-	-21,653
Profit (loss) for the financial year	-	-	-	-	-62,433	-62,433
Balance at 31 December	12,100	270,400	-52,159	746,977	-62,433	914,885

The share premium is tax exempt.

Statutory reserves consist of a currency translation reserve participating interests of EUR -43.8 million (EUR -53.1 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:

Dividend on ordinary shares	35,000
Added to reserves	25,363
Profit for the financial year	<hr/> 60,363

The proposed dividend of EUR 35 million consists of EUR 27 million based on the dividend policy and EUR 8 million exceptional and additional dividend.

e. Long-term loans from group companies

The balance consists of long-term loans from group companies with a maturity per 31 December 2031 (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, 10 March 2023

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, CFO

Other information

Proposed 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

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Creating a resilient coastline for Eforie, Romania.

In addition to reinforcing approximately 6 kilometres of coastline, space was created for nature conservation and recreation.



About this report

Van Oord has reported on the state of affairs in the company and its subsidiaries in its 2022 Annual Report. The annual report is intended for all interested parties. In it, we report on the company's performance, its added value and its financial results.

This annual report has been approved by the Supervisory Board and will be adopted by the shareholders on 13 April 2023. 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 equivalents. Concerns emissions from all equipment, flights, fleet of vehicles, offices and shipyards. These emissions fall under scope 1, 2 and 3 emissions as defined in the Greenhouse gas protocol.
- 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 were installed. Our involvement has been substantial in these projects ranging from transporting and 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 24 hours) per 200,000 hours worked by workers on Van Oord's payroll (excluding Mackley) 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 hours). Mackley has its own system for registration and follow up of incidents as well as its own ISO certifications.

- Total Recordable Injury Rate (TRIR): Number of recordable injuries per 200,000 hours worked by workers on Van Oord's payroll (excluding Mackley) 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 injuries 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. Mackley has its own system for registration and follow up of incidents as well as its own ISO certifications.
- Spills with significant environmental impact: These are reported spills released beyond the site boundary, leading to a breach of licence conditions likely to result in prosecution and/or where external assistance is required to manage the environmental impact.
- Tenders assessed for environmental and social due diligence.
- Sustainable Supply Chain: Number of suppliers assessed by Van Oord on Environmental, Social and Corporate Governance risks. The number represents the cumulative number of suppliers scanned using external data provided by a data science company and provides insight into how companies conduct their business relating to human rights, labour standards, corruption and environmental issues.

Following the publication of the EU's 2 new Sustainability Directives, the Corporate Sustainable Reporting Directive (CSRD) and the EU Taxonomy Regulation, we are preparing ourselves for more extensive reporting on non-financial performance according to these requirements in the coming years.

The selected indicators are to be found in chapter 2, Strategy and value creation in this 2022 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 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 press@vanoord.com.

GRI Standards reference table

GRI 102: General Disclosures

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Energy and emissions performance

A large yellow offshore structure, likely a wind turbine tower or platform, is being lowered into the ocean. The structure is cylindrical and has a yellow ladder on its side. In the foreground, a platform is suspended from the structure, carrying several rows of black oyster broodstock structures. The ocean is blue with some whitecaps, and several wind turbines are visible in the distance under a cloudy sky.

Installing 4 broodstock structures at wind farm Luchterduinen, the Netherlands, to provide a safe and stable breeding place for oysters.

	2022	2021	2020	2019	2018
 1 Energy consumption (x 1,000 MWh)					
1.1 Total energy consumption	1,815.5	1,470.8	1,736.0	1,940.2	1,738.3
1.1 Fuel energy	1,806.9	1,462.7	1,726.9	1,931.7	1,731.4
1.1 - Of which residual (fossil)	301.3	333.6	383.1	766.0	858.4
1.1 - Of which distillate (fossil)	1,413.6	1,080.6	1,330.0	1,159.1	871.1
1.1 - Of which natural gas / LNG (fossil)	14.3	3.0	2.9	1.9	1.2
1.2 - Of which renewable (bio)	77.8	45.6	10.9	4.7	0.8
1.2 - Share of renewable fuels in fuel mix	4.3%	3.1%	0.6%	0.2%	0.0%
1.1 Electricity	8.6	8.0	9.1	8.5	6.9
1.1 - Of which unspecified	2.6	2.7	3.7	3.4	3.4
1.3 - Renewable electricity	5.9	5.3	5.4	5.2	3.5
1.3 - Share of renewable electricity in total electricity consumption	69.4%	66.3%	59.6%	60.5%	51.0%
1.4 On-site renewable generation	1.1	1.0	0.1	0.0	0.0
2 Greenhouse gas emissions (x 1,000 tonnes of CO₂e)					
2.1 Total (scope 1 + market-based scope 2 + scope 3)	592.7*	484.6	583.1	658.1*	590.9
2.2 Scope 1 Total	475.3*	390.1	472.2	534.3*	481.8
2.2 - Of which carbon dioxide (CO ₂)	467.6*	384.3	465.2	526.5*	474.7
2.2 - Methane (CH ₄)	0.8*	0.3	0.3	0.3*	0.2
2.2 - Nitrous oxide (N ₂ O)	6.9*	5.6	6.6	7.5*	6.9
2.3 Scope 2 Location-based	3.8*	3.6	4.2	4.3*	3.5
2.4 Scope 2 Market-based	1.6*	1.6	2.2	2.0*	2.0
2.5** Scope 3 Upstream scope 3	115.8*	92.8	108.7	121.7*	107.1
2.5** - Of which cat. 3 Fuel- and energy related activities	107.8*	87.7	104.8	110.7*	96.5
2.5** - Of which cat. 6 Business travel	8.0*	5.1	3.9	11.0*	10.6
2.6 Well-to-wake emissions of all fuels	583.1	477.8	577.0	645.1	578.3
3 Other emissions to air (x 1,000 tonnes)					
3.1 Biogenic CO ₂	21.2	12.2	2.9	1.3	0.2
3.2 Black carbon (in CO ₂ e)	41.0	34.9	40.9	52.7	50.8
3.3 Nitrogen oxides (NO _x)	8.6	7.0	8.2	9.3	8.4
3.4 Sulphur oxides (SO _x)	0.4	0.4	0.4	3.1	3.8
3.5 Particulate matter (PM _{2.5})	0.3	0.3	0.3	0.7	0.8

* Subject to assurance, see page 149.

** In this report only categories 3 and 6 of scope 3 are included. We estimate that when all 8 upstream categories are included, our scope 3 emissions will make up the largest part of our total emissions.

Basis of reporting

Reporting period

Van Oord energy and emissions data reporting covers the period from 1 January 2022 to 31 December 2022.

Scope and consolidation

Energy and emissions data follows the financial control approach. Thus, the performance data includes consolidated data from Van Oord NV and all subsidiaries under its financial control. Fuel and other relevant consumption data of Van Oord owned vessels is directly reported to a corporate database. Applying financial control and using this central reporting method has the following implications:

- Owned vessels are always included, also when temporarily leased out (e.g.: when operating under charter agreements);
- Non-owned vessels (e.g.: hired/subcontracted/ JV-partner owned) that operate on projects that Van Oord (jointly) executes are not included.

Other included data concerns owned land-based equipment and support functions worldwide such as yards, offices and various forms of mobility.

The allocation of greenhouse gas emissions is based on the financial control approach in accordance with the GHG protocol: Direct emissions from owned entities/vessels (scope 1), indirect emissions from purchased electricity and heat (scope 2) and value chain emissions (scope 3). An exception is made for lease cars. These are allocated under scope 1 in line with Dutch reporting practices.

Changes affecting environmental performance data

During 2022 changes were prepared with regards to energy and emissions data. These changes are applied to this annual report's dataset in order to improve transparency and enhance compliance with the Greenhouse gas protocol and ISO14064-1.

Greenhouse gas conversion factors: In previous reporting, the full life cycle impacts of fuels were reported in scope 1 using so-called well-to-wake conversion factors. These factors incorporated the relevant greenhouse gases into a single carbon dioxide equivalent (CO₂e) value applying outdated global warming potential data for each greenhouse gas. New conversion factors were established using global warming potential data from IPCC's latest AR6 report. Scope 1 in the new dataset includes the part of emissions that stems from storage and combustion on-board (tank-to-wake). It also includes a breakdown into carbon dioxide

(CO₂), methane (CH₄) and nitrous oxide (N₂O). The well-to-tank part of emissions is now reported under scope 3 cat. 3 – fuel and energy-related activities. Application of the updated conversion factors yields a substantial drop in scope 1 and an increase of a comparable size in scope 3 compared to previous reporting.

Completeness and accuracy: The previously excluded subsidiary Mackley UK Ltd has been included with minor impacts across all scopes. In scope 2 more accuracy was obtained by substituting an earlier single estimate for all locations outside the Netherlands with actual consumption figures in each country.

Scope 2 dual reporting: In line with the scope 2 amendment to the GHG Protocol, dual reporting of scope 2 emissions was implemented. 2 distinct calculation methods are followed yielding a location-based figure and a market-based figure. The latter takes account of market instruments such as guarantees of origin that Van Oord uses to procure renewable electricity. The former is based on annual grid average emission factors of each country.

Restatements: Aforementioned improvements and changes triggered the need to recalculate our base year (2019). For the purpose of consistency all presented past years (2018 - 2021) were restated.

New indicators: The indicator set was expanded to cover energy consumption and other emissions such as sulphur oxides (SO_x), nitrogen oxides (NO_x), particulate matter (PM_{2.5}) and black carbon (BC). Biogenic carbon dioxide (CO₂) stemming from biofuel use was added to provide transparency on the role of biofuels in our decarbonisation efforts.

Assurance

All items marked with an * have been independently verified with limited assurance.

Methodologies and sources

1 Energy consumption

1.1 (Total) energy consumption

Energy consumption figures are based on the Net Calorific Value (NCV) of each fuel. NCVs for most marine fuels were taken from IMO (MEPC 308(73)). For LNG and biofuels NCVs were taken from ISO 23306 and JEC's Well-to-Wake study 2020 respectively. Electricity consumption figures represent gross grid imports.

1.2 (Share of) renewable fuels

Renewable fuels comprise different types of biofuels. The majority of biofuels is purchased with ISCC certification ensuring that feedstocks are sustainable. A minor part of biofuels is contained in blended form in road fuels used by lease cars and land-based equipment.

1.3 (Share of) renewable electricity

Renewable electricity entails all electricity purchased using market instruments such as Guarantees of Origin and Green Tariffs. In addition, purchased electricity is generated in the same country where it is consumed. It excludes self-consumption of on-site renewable generation (see 1.4).

1.4 On-site renewable generation

On-site renewable generation is determined using measured production figures from our larger solar PV installations complemented with average annual production estimates for smaller arrays.

2 GHG emissions

2.1 Total GHG emissions

Total GHG emissions is the sum of scope 1, scope 2 market-based and scope 3 Cat. 3 and Cat. 6.

2.2 Direct GHG emissions (scope 1)

Direct emissions include carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). All values are expressed as carbon dioxide equivalents (CO₂e). Underlying GWP values are based on a 100-year time horizon and were taken from IPCC's AR6 report. CO₂ conversion factors for most marine fuels were taken from IMO (MEPC 308(73)). CH₄ and N₂O factors are based on IMO's 4th Greenhouse gas study 2020 for all major fuels. For biofuels (biogenic), CO₂ factors were obtained from JEC's Well-to-Wake study from 2020.

For biogenic CO₂ emissions are accounted for at zero in scope 1 while CH₄ and N₂O are included. Biogenic CO₂ is reported separately (see 3.1).

2.3 Indirect GHG from electricity (scope 2) – location based

Location-based emission factors were sourced from the Association of Issuing Bodies for European locations and climate-transparency.org - or relevant country authorities - for remaining locations.

2.4 Indirect GHG from electricity (scope 2) – market-based

All consumption covered by supply contracts that include Guarantees of Origin (GOs) or green tariffs that meet minimum quality criteria is accounted for with an emission factor of zero. For electricity not covered by such market instruments, the residual mix or location-based emission factors are used. Factors are sourced from the Association of Issuing Bodies for European locations and climate-transparency.org - or relevant country authorities - for remaining locations.

2.5 Value chain GHG (scope 3)

Out of the 15 scope 3 categories defined in the GHG protocol, 6 are identified as applicable for Van Oord's business and supporting activities. All applicable categories are upstream. Of these 6 categories, the following 2 are included in line with our current reporting capabilities:

- Cat. 3 – fuel and energy-related activities (based on fuel consumption data and well-to-tank factors from ICCT's Update: Accounting for well-to-wake carbon dioxide equivalent emissions in maritime transportation climate policies (august 2021) and JEC's Well-to-Wake study from 2020);
- Cat. 6 – Business travel (based on flight data and declarations for business travel in private cars). Applicable but as of yet excluded scope 3 categories are: Cat. 1 – Purchased goods and services, Cat. 2 – Capital goods, Cat. 4 – Upstream transportation and distribution and Cat. 7 – Employee commuting. Scope 3 data is constantly evolving and we strive to provide more accurate and complete data on other applicable categories going forward.

2.6 Well-to-wake emissions

Well-to-Wake emissions comprise the full life cycle emissions of all fuels used. It is calculated by summing the direct emissions (1.2) and the indirect supply chain emissions (1.5 cat. 3 fuel and energy-related).

3 Other air emissions

3.1 Biogenic CO₂ emissions

Biogenic CO₂ emissions from biofuel combustion are reported separately from the scopes. Figures are calculated based on total biofuel consumption and CO₂ emission factors from JEC's Well-to-Wake study from 2020.

3.2 Black carbon (BC) emissions

Emissions of black carbon are calculated using fuel consumption data and emission factors from ICCT which are also used in IMO's 4th Greenhouse gas study 2020.

3.3 Nitrogen oxides (NO_x) emissions

NO_x emissions are calculated using fuel consumption data and emission factors from IMO's 4th Greenhouse gas study 2020.

3.4 Sulphur oxides (SO_x) emissions

SO_x emissions are calculated using fuel consumption data and long-term average values of sulphur content of the different fuel types bunkered by Van Oord. Final conversion from sulphur to SO_x uses emission factors from IMO's 4th Greenhouse gas study 2020.

Independent auditor's report

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

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 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 2022 and of its result for 2022 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 2022
- the consolidated and company profit and loss account for 2022
- 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 section 'Our responsibilities for the audit of the financial statements' of our report.

We are independent of Van Oord N.V. (the company) 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.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes. We refer to sections 'Risk management' and 'Compliance' of the management report for management's (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

As in all of our audits, we addressed the risks related to management override of controls. For these risks we have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in section 'Estimates and assumptions' as included in the Accounting Policies of the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions.

The following fraud risks identified did require significant attention during our audit.

Risk of incorrect valuation of projects (incl. related revenue recognition of projects) whether or not as a result of management override or error

Fraud risk

We presumed that there are risks of fraud in revenue recognition. We evaluated that the significant judgements involved in the valuation of work in progress and related revenue recognition of projects in particular give rise to such risks. The status of contracts is updated on a regular basis. In doing so, management is required to exercise significant judgment in their assessment of the completeness and accuracy of forecasts regarding costs to complete; and the valuation of contract variations, claims and liquidated damages. The potential final contract outcomes can cover a wide range. We considered management override of controls relating to significant judgments and assumptions involved. Changes in these judgments, and the related estimates, as contracts progress can result in material adjustments to revenue and margin, which can be both positive and negative. These revenues are disclosed in Note 11 of the financial statements. Management discusses the risks in section 'Risk management' of the management report and section 'Estimates and assumptions' as included in the Accounting Policies of the financial statements.

Our audit approach

In the planning and execution of our audit we considered the impact of current market conditions, project risk determination and operational progress, turnover and profitability, both for ongoing projects and projects in the orderbook. We performed among others the following audit procedures, directed specifically to the described risks:

- We obtained an understanding of the company's internal control environment including confirming the existence of relevant controls in the project control process
- We make inquiries of the executive committee members,

- business unit (finance) directors and controllers, project managers and controllers and managers from the staff, legal and contract department
- We performed (online) site visits
- We performed analytical procedures, including back-testing on (expected) project result
- We performed substantive audit procedures on contractual terms and conditions, costs incurred and calculation and measurement of the percentage of completion
- We assessed the correct accounting treatment of contracts
- We tested management's position against supporting documentation for cost to complete estimates and provisions for onerous contracts (including the testing of specific estimate elements against lower testing thresholds, such as the valuation of variation orders, claims and liquidated damages)
- We have used data analytics to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions

Risk of non-compliance with laws and regulations on corruption / anti-bribery

Fraud risk

In identifying and assessing fraud risks, we considered the risk of non-compliance with laws and regulations on corruption and anti-bribery. We evaluated that the international business operations of the company including activities in countries with relatively high perceived risks of corruption and bribery in particular give rise to such risks. These risks are disclosed in section 'Compliance' of the management report and section 'Commitments, contingent assets and liabilities' in the notes to the consolidated financial statements.

Our audit approach

We performed among others the following audit procedures, directed specifically to this fraud risk:

- We discussed within the audit team (including forensic specialists) and inspected relevant information to identify areas in the financial statements of the company that are sensitive to material errors as a result of fraud and/or corruption/bribery
- We inquired with management and (external) legal counsel
- We inspected minutes of management and supervisory board meetings
- We performed procedures to the completeness of the overview of payments and obligations to agents
- We performed substantive testing procedures on agents and commission payments, selected risk based on both quantitative and qualitative considerations. Procedures

includes, amongst others, assessment of due diligence procedures and services performed, inspection of agent contracts and executed right to audits and testing procedures on invoices and payments made.

- We assessed the appropriateness of the disclosures in the financial statements with regards to this risk

We considered available information and made enquiries of relevant executives and directors, centrally as well as on business unit level, internal audit, legal, compliance and other staff departments and the supervisory board.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements. Not all identified risks have been fully mitigated and we considered the possible impact on our opinion and evaluated the adequacy of related disclosures in section 'Commitments, contingent assets and liabilities' in the notes to the consolidated financial statements and in section 'Compliance' of the management report.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, reading minutes, inspection of internal audit and compliance reports and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section 'General' of the notes to the consolidated financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism. We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant 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.

Based on our procedures performed, we did not identify material uncertainties about going concern. 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.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

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 for the management report and the other 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 report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding 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. The 'Information in support of our opinion' section above includes an informative summary of our responsibilities and the work

performed as the basis for our opinion. 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
- 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.

Communication

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, 10 March 2023

Ernst & Young Accountants LLP
W.P. de Pater

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 indicators and the section “Stakeholder & materiality analysis” in the accompanying annual report for the year 2022 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 and the section “Stakeholder & materiality matrix” are not prepared, in all material respects, in accordance with the reporting criteria as included in the section ‘Reporting criteria’ of our report.

The selected indicators consist of:

- Total installed renewable energy capacity (annual & cumulative), as stated on page 66
- Number of suppliers assessed by Van Oord on Environmental, Social and Corporate Governance risks, as stated on page 66
- Number of spills with significant environmental impact, as stated on page 66
- Scope 1 Greenhouse gas emissions (Tonnes CO₂e) for 2022 and baseline 2019, as stated on page 141
- Scope 2 Greenhouse gas emissions (Tonnes CO₂e) for 2022 and baseline 2019, as stated on page 141
- Scope 3 (Business Travel – Upstream Scope 3 Category 6 – GHG Protocol) Greenhouse gas emissions (Tonnes CO₂e) for 2022 and baseline 2019, as stated on page 141
- Scope 3 (Fuel & Energy Related Activities – Upstream Scope 3 Category 3 – GHG Protocol) Greenhouse gas emissions (Tonnes CO₂e) for 2022 and baseline 2019, as stated on page 141
- Percentage and number of tenders which have followed the ESG due diligence, as stated on page 66
- Lost Time Injury Frequency Rate (LTIFR), as stated on page 57
- Total Recordable Injury Rate (TRIR), as stated on page 57

Basis for our conclusion

We have performed our limited assurance engagement on the selected indicators and the section “Stakeholder & materiality matrix” 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 section ‘Our responsibilities for the assurance engagement on the selected indicators and the section “Stakeholder & materiality matrix”’ 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). 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 reporting criteria used for the preparation of the selected indicators and the section “Stakeholder & materiality matrix” are own reporting criteria developed by van Oord N.V., based on the Sustainability Reporting Standards of the Global Reporting Initiative (GRI), 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 and the section “Stakeholder & materiality matrix” allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Consequently, the selected indicators and the section “Stakeholder & materiality matrix” need to be read and understood together with the reporting criteria used.

Unassured corresponding information

As from 2022 van Oord N.V. changed the reporting approach for Greenhouse gas emissions, resulting in changes in the parameter definitions and adjustment of corresponding information for prior years. We refer to page 142 of the annual report for further details. As a result of

this change, the comparative information for the years 2018, 2020 and 2021 has not been included in our assurance scope for the following selected indicators:

- Scope 1 Greenhouse gas emissions (Tonnes CO₂e);
- Scope 2 Greenhouse gas emissions (Tonnes CO₂e);
- Scope 3 (Business Travel – Upstream Scope 3 Category 6 – GHG Protocol) Greenhouse gas emissions (Tonnes CO₂e) ;
- Scope 3 (Fuel & Energy Related Activities – Upstream Scope 3 Category 3 – GHG Protocol) Greenhouse gas emissions (Tonnes CO₂e)

We note that van Oord N.V. has requested us to perform assurance procedures on the selected indicators for the year 2019, being the baseline year. Our assurance conclusion therefore does include the 2019 comparative year for the abovementioned selected indicators.

Limitations to the scope of our assurance engagement

Our assurance engagement is restricted to the selected indicators and the section “Stakeholder & materiality matrix”. We have not performed assurance procedures on any other information as included in the annual report in light of this engagement.

The selected indicators and the section “Stakeholder & materiality matrix” include prospective information such as ambitions, strategy, plans, expectations and estimates. Inherent to this prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the selected indicators and the section “Stakeholder & materiality matrix”.

The references to external sources or websites are not part of our assurance engagement on the selected indicators and the section “Stakeholder & materiality matrix”. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect of these matters.

Responsibilities of the management board and the supervisory board for the selected indicators and the section “Stakeholder & materiality matrix”

The management board is responsible for the preparation of the selected indicators and the section “Stakeholder & materiality matrix” in accordance with the reporting criteria as included in the section ‘Reporting criteria’ of our report. The management board is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting. 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 section “Stakeholder & materiality matrix” and the reporting policy are summarized in section ‘About this report’ of the annual report.

Furthermore, the management board is responsible for such internal control as it determines is necessary to enable the preparation of the selected indicators and the section “Stakeholder & materiality matrix” that are free from material misstatement, whether due to error or fraud.

The supervisory board is responsible for overseeing the reporting process of the selected indicators and the section “Stakeholder & materiality matrix” of Van Oord N.V.

Our responsibilities for the assurance engagement on the selected indicators and the section “Stakeholder & materiality matrix”

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 other relevant legal and regulatory requirements.

The procedures of our limited assurance engagement included among others:

- Performing an analysis of the external environment and obtaining an understanding of the sector, insight into relevant sustainability themes and issues, relevant laws and regulations and the characteristics of the company as far as relevant to the selected indicators and the section “Stakeholder & materiality matrix”

- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures on the selected indicators and the section “Stakeholder & materiality matrix”. This includes the evaluation of the reasonableness of estimates made by the management board
- Obtaining through inquiries a general understanding of internal control, reporting processes and information systems relevant to the preparation of the selected indicators and the section “Stakeholder & materiality matrix”, without obtaining evidence about implementation or testing the operating effectiveness of controls
- Identifying areas of the selected indicators and the section “Stakeholder & materiality matrix” with a higher risk of misleading or unbalanced information or material misstatements, whether due to error or fraud. Designing and performing further assurance procedures aimed at determining the plausibility of the selected indicators and the section “Stakeholder & materiality matrix” responsive to this risk analysis. These further assurance procedures consisted amongst others of:
 - Interviewing relevant management, staff at corporate and business level responsible for the strategy, policy and results relating to the selected indicators and the section “Stakeholder & materiality matrix”
 - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the selected indicators and the section “Stakeholder & materiality matrix”
 - Obtaining assurance information that the selected indicators and the section “Stakeholder & materiality matrix” 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
 - Evaluating the consistency of the selected indicators and the section “Stakeholder & materiality matrix” with the information in the annual report which is not included in the scope of our assurance engagement
 - Evaluating the content of the selected indicators and the section “Stakeholder & materiality matrix”

Rotterdam, 10 March 2023

Ernst & Young Accountants LLP

A.A. Kuijpers

Flexible fallpipe vessel Bravenes.



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. Net debt: The net amount of (interest-bearing) short-term and long-term bank loans, minus cash at bank and in hand.

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.

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 & Ecosystems: 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 & mitigation: Climate adaptation is the process by which societies reduce vulnerability to climate change or take advantage of the opportunities offered by a changing climate. Climate mitigation refers to measures intended to limit the magnitude and/or speed of global warming, typically by 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.

COSO: Committee of Sponsoring Organizations of the Treadway Commission.

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.

DBFM contract: A contract form in which the contractor is responsible for the design, building, financing and maintenance of a project. DBFM contracts are considered high-risk contracts due to the transfer of risk to the contractor.

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.

ESG: Environmental, Social, Governance, typically referring to a framework used by companies to report on their non-financial performance.

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 riverbed using a fallpipe with the aim of protecting underwater structures or levelling the bed.

Floating Renewables: The concept of floating structures to produce renewable solar energy in parts of the ocean that cannot accommodate regular wind turbines due to water depths.

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.

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.

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 (excluding Mackley) 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). Mackley has its own system for registration and follow up of incidents as well as its own ISO certifications.

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.

Materiality: Materiality refers to the themes/topics considered material, or significant, to a company, either because the company's activities have significant (potential) impact on that theme or because the theme (potentially) produces risks and opportunities for the company.

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

Net-positive impact: Net-positive impact refers to conducting business activities in such a way that the result benefits communities and the environment.

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.

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.

Scope 1 emissions: Direct greenhouse gas emissions linked to the operation of owned equipment as well as minor sources such as leased vehicles and space heating in buildings.

Scope 2 emissions: Indirect emissions from purchased electricity used primarily to power support services such as offices, yards and electric vehicles.

Scope 3 upstream emissions: Value chain emissions such as those related to business travel and to the production, refining and delivery of fuels used in owned equipment.

Secure Base Leadership: Leadership behaviours that foster a sense of psychological safety in the workplace so that employees feel safe to express themselves, make decisions and risk making mistakes for the purpose of learning and growth.

Sick leave rate: The number of days of 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 and community impact: 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 the 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 consistent with the Ten Principles of UN Global Compact and OECD Guidelines. Van Oord applies due diligence by actively screening and monitoring suppliers and subcontractors.

Sustainable supply chain: Number of suppliers assessed by Van Oord on Environmental, Social and Corporate Governance risks. The number represents the cumulative number of suppliers scanned using external data provided by a data science company and provides insight into how companies conduct their business with regards 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 riverbeds.

Total Recordable Incident Injury Rate (TRIR): Number of recordable workrelated injuries per 200,000 hours worked by workers on Van Oord's payroll (excluding Mackley) 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. Mackley has its own system for registration and follow up of incidents as well as its own ISO certifications.

Water injection dredger (WID): A special, innovative dredging vessel that injects water under low pressure into the sea or riverbed, 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.

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A Van Oord app (App Store and Google Play)

Text Tekstschrijvers.nl, Rotterdam

Design Boulogne Jonkers Design, Zoetermeer

Printed by Veenman+, Rotterdam

[Annualreport.vanoord.com](https://www.vanoord.com/annualreport)



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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 press@vanoord.com or contacting Ms M. Boer, **T** +31 88 8260000. You will receive a response within ten working days.



We create a better world for future generations

by delivering Marine ingenuity