



Annual Report
2023

Royal Van Oord

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Using over 155 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)

	2023	2022	2021	2020	2019
 People					
No. of employees in full-time equivalents at 31 December	5,766	5,243	4,725	4,369	5,217
Ratio male/female (%) *	82/18	85/15	85/15	86/14	85/15
Number of nationalities employed by Van Oord	84	89	83	73	71
Number of participants in classroom training courses	6,798	5,047	3,473	2,842	5,447
Absence due to illness (in % of Dutch payroll) *	4.7	4.2	3.9	4.1	4.2
Accident frequency in TRIR *	0.79	0.51	0.59	0.48	0.65
Accident frequency in LTIFR *	0.16	0.15	0.15	0.18	0.23
 Planet					
Total installed renewable energy capacity (MW)	1,731	930	1,142	2,842	1,850
Scope 1 greenhouse gas emissions (x 1,000 tonnes of CO ₂ e)	602.6	475.3	390.1	472.2	534.3
Development relative scope 1 emissions (tCO ₂ e/million EUR revenue)	210.3	235.2	257.2	281.6	325.0
 Prosperity					
Net revenue	2,866	2,021	1,517	1,677	1,644
EBITDA **	379	243	67	226	254
Depreciation and amortisation	180	165	165	167	166
EBIT **	199	78	-98	59	88
Net profit	127	60	-62	33	46
Total equity and liabilities	3,310	3,039	2,738	2,458	2,414
Equity	1,075	985	915	1,015	1,008
Long-term loans	422	579	435	244	415
Cash	378	400	373	268	108
Net debt	152	178	62	-24	307
Order book **	4,429	4,300	4,355	3,553	3,610
Cash flow from operating activities	381	62	50	476	30
Cash flow from investment activities	-317	-187	-98	-120	-222
Cash flow from financing activities	-84	143	174	-191	10
Net cash flow	-20	19	126	165	-181
Dividend	54	35	0	16	21
Return on equity **	12.4%	6.4%	-6.5%	3.3%	4.6%
Return on capital employed **	11.4%	4.7%	-6.2%	3.6%	5.5%
EBITDA/net revenue	13.2%	12.0%	4.4%	13.5%	15.5%
Net profit/net revenue	4.4%	3.0%	-4.1%	2.0%	2.8%
Equity/total assets (solvency) **	32.5%	32.4%	33.4%	41.3%	41.8%

* see list of general terms

** see list of financial terms

We create a better world for future generations

by delivering Marine ingenuity

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.

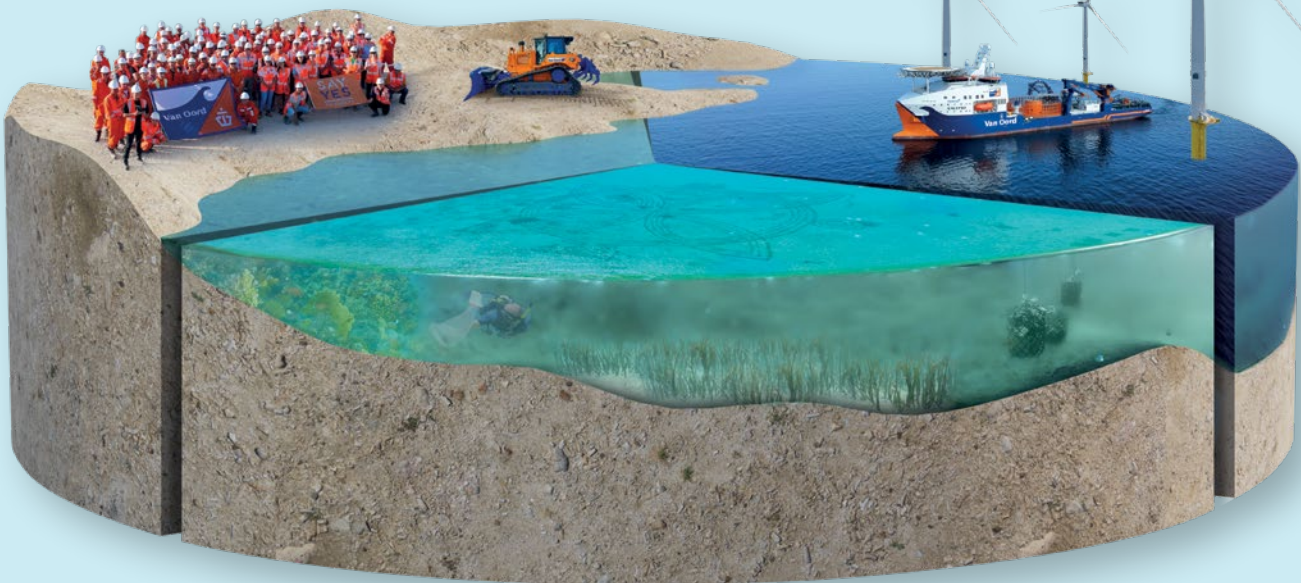
We build on our strong foundation: the quality of our people, our collective experience and expertise, and innovative ideas that make us unique.



People



Prosperity



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.

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 155 years of experience, we strive to enhance the energy transition and to deliver climate adaptation and marine infrastructure solutions. We **work safely and partner with our clients** and stakeholders.

Our values

What drives us internally and externally:

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

Founder's mentality

We are a Dutch family-owned company with over 155 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 history of entrepreneurship, spirit and perseverance displayed by our predecessors and employees.

Ownership

Shareholders Van Oord N.V.



78.5%
MerweOord B.V.

10.75%
ConsOord B.V.

10.75%
Ulran S.A.

6 Market drivers

Our drivers create opportunities to contribute through marine solutions.



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

5,766

2022: 5,243



Nationalities

84

2022: 89



Male

82%

2022: 85%



Female

18%

2022: 15%

Safety

Total Recordable Injury Rate (TRIR)



0.79

2022: 0.51

Lost Time Injury Frequency Rate (LTIFR)



0.16

2022: 0.15



Participants in classroom training courses

6,798

2022: 5,047



For more information, see The Right People chapter.

Locations

Europe | Azerbaijan – Baku, Belgium – Sint-Niklaas, Cyprus – Nicosia, Denmark – Copenhagen, France – Villepinte, Germany – Hamburg, Gibraltar, Ireland – Dublin, Italy – Rome, Kazakhstan – Aktau, Netherlands – Gorinchem – Rotterdam – Bolsward, Norway – Oslo, Poland – Warsaw – Gdansk, Romania – Constanta, Spain – Madrid, United Kingdom – Small Dole – Stokesley **America** | Brazil – Rio de Janeiro, Canada – Calgary, Colombia – Bogota, 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 **Asia & Australia** | Australia – Milton, China – Shanghai, Hong Kong, Indonesia – Jakarta – Batam – Bekasi, Japan – Tokyo, Korea – Busan, Malaysia – Kuala Lumpur, Maldives – Male, Philippines – Manila, Singapore, Taiwan – Taipei, Thailand – Bangkok, Vietnam – Hanoi



Planet



For more information, see the Sustainability chapter.



Total installed renewable energy capacity

1,731 MW
2022: 930 MW



Total cumulative renewable energy capacity

18,254 MW
2022: 16,523 MW



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

602.6
2022: 475.3



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

1,657
2022: 1,537



Prosperity



Revenue*

2,866
2022: 2,021



Order book*

4,429
2022: 4,300



Projects

198
2022: 191



Countries

43
2022: 42



Revenue per business unit*



Dredging & Infra

1,442
2022: 1,214



Offshore Energy

1,424
2022: 807

* million euros

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

Marine ingenuity is our signature
and the spark that lights the spirit
of our professionals.

The world in 2023

a year of growth and market recovery



Brand new cable-laying vessel Calypso, a key strategic addition to Van Oord's offshore wind fleet.

2023 proved to be an extremely busy year for our company and one of substantial growth and recovery. Over the past 2 years, we have nearly doubled our revenue and gradually increased our profitability. After facing challenging market conditions for over 5 years, we witnessed a clear market recovery in 2022 and 2023. Global inflation levels returned to more normal levels, alleviating some of the pressures we experienced in 2021 and 2022 due to severe supply chain disruptions and price increases. Moreover, we no longer suffered from the travel restrictions and quarantine requirements imposed by the COVID-19 pandemic.

However, the world is still in turmoil. Russia's military invasion of Ukraine is still ongoing, and in October another military conflict shocked the world: the war in the Middle East. Both wars have a political effect on the stability of our markets. Political support for energy independence from Russia in Europe remains, as governments in Northern Europe reiterated their overwhelming support for offshore wind as a major new energy source. However, higher interest rates and supply chain disruptions in previous years have had a significant impact on the levelized cost of energy for offshore wind, leading to some of the offshore wind projects recently awarded to developers being cancelled or delayed.

Despite these challenges in renewable energy, the engineering, procurement and construction (EPC) offshore wind industry is recovering, as evidenced by a return to healthier price levels and more balanced risk allocation provisions across the value chain. We therefore remain optimistic about the future of offshore wind.

The dredging market is also recovering. The Dutch infrastructure market is still affected by the ongoing nitrogen crisis, resulting in cancellations or delays of new projects. Meanwhile, the repair and maintenance market is faced with insufficient budgets.

In 2023, we carried out a significant repositioning, which involved consolidating our company from 4 separate business units – Dredging, Netherlands, Offshore Wind and Offshore – into 2 robust business units: Dredging & Infra and Offshore Energy. This strategic repositioning has allowed us to sharpen our focus on our core markets. Each of these 2 business units is dedicated to providing tailor-made services to our clients on a global scale, leveraging our extensive scale, expertise and assets across multiple markets. The synergy between the 2 business units is also clearly visible. Both business units deliver true Marine ingenuity supported by specialist knowledge and a large fleet of vessels developed in-house.

Revenue, result and balance sheet

In 2023, our revenue significantly increased to EUR 2.9 billion from EUR 2.0 billion in 2022, marking a record year for our company. We saw revenue growth across both of our businesses and successfully completed nearly 200 projects for our clients. Our net profit more than doubled to EUR 127 million from EUR 60 million in 2022.



Business units
Dredging & Infra and
Offshore Energy deliver
true Marine ingenuity
supported by specialist
knowledge.

The business unit Dredging & Infra achieved strong results, while Offshore Energy saw a recovery in offshore wind profitability. The conventional offshore activities were more negatively affected by a large loss-making project in 2023.

In 2023, we took on new projects totalling a net amount of EUR 3.0 billion, signalling a clear and strong recovery of our markets. The award volume was balanced between the 2 business units.

Our order book increased slightly to EUR 4.4 billion, accompanied by improving margins. Our operating cash flow rose substantially to EUR 381 million, significantly higher than the previous year's EUR 62 million. This strong operating cash flow enabled us to reduce net debt from EUR 178 million in 2022 to EUR 152 million in 2023. This net debt improvement was achieved despite a high investment level of EUR 317 million (compared to EUR 187 million in 2022).

Our leverage ratio was 0.5. We ended the year with a robust balance sheet. Our return on capital employed (ROCE) of 11.4% indicates a positive trajectory towards acceptable return levels.

Investments

With a volume of EUR 317 million, our investment activities were on a very high level. No less than 3 state-of-the-art vessels were delivered.

In March 2023, we celebrated the official launch of the Vox Apolonia, the second trailing suction hopper dredger in a series of 3. The vessel has been named after my grandmother, Apolonia Adriana Visser. Subsequently, in September 2023, we christened the Vox Alexia, the third LNG-powered trailing suction hopper dredger, and the Calypso, our second cable-laying vessel. The ceremonies at the Wilhelminapier in Rotterdam were attended by over 3,500 guests, including Van Oord employees, their families and Her Royal Highness Princess Alexia of the Netherlands, who personally christened the vessel named after her.

The introduction of the Vox Ariane, Vox Apolonia and Vox Alexia marks the renewal of the midsize section of our trailing suction hopper dredger fleet. These dual-fuel vessels, capable of running on LNG, represent the cutting edge of maritime technology.

The Calypso, our new cable-laying vessel, is equipped with 2 carousels, making it suitable for installing High Voltage Direct Current (HVDC) cables. The construction of the largest investment in our company's history, the Boreas, continued throughout 2023 at the CIMC Raffles yard in Yantai, China.

The gigantic offshore installation vessel is capable of running on methanol and is purpose-built to transport and install the next generation of 25 MW offshore wind turbines. The Boreas will be operational early 2025.

Our future position in the offshore wind market was further strengthened by the decision to upgrade our heavy-lift installation vessel Svanen. Among other improvements, the gantry crane will be extended by 25 metres, making the vessel ready to handle the largest foundations for the latest generation of wind turbines.

Finally, survey vessel VO:X Barentsz and 2 water injection dredgers, Rijn and Rhône, will be delivered in the first half of 2024. The 2 hybrid water injection dredgers with Ultra Low Emission Vessel (ULEV) notation are being built by Kooiman in Zwijndrecht and will bring our fleet up to 14 state-of-the-art water injection dredgers.

Organisation

Our organisation grew rapidly in 2023 as a result of the recovery of our markets. By the end of the year, Van Oord employed 5,766 FTEs. Over the past 3 years, our workforce has expanded by nearly 1,500 FTEs. Our successful recruitment campaign is proof that we are perceived as an attractive employer.

Our investments in digitisation are supporting the growth of our organisation and the further professionalisation of our processes. We achieved an important milestone in our Founding the Future programme with the selection of an ERP system to enable standardisation and streamline our global operations.

The repositioning of our company from 4 to 2 business units, Dredging & Infra and Offshore Energy, came into effect on 1 July 2023. Both business units serve maritime contracting markets and are serviced through centralised staff departments.

Sustainability and safety

In 2023, major strides were made with regards to sustainability. We place great emphasis on integrating sustainability into our service offering during tender submissions. Our sustainability strategy is built on 4 pillars: enhancing the energy transition, accelerating climate actions, empowering nature & communities and achieving net-zero emissions.

With respect to achieving net-zero emissions, we have committed to the Science Based Targets initiative (SBTi). We are actively outfitting our fleet with various fuel systems, exemplified by the deployment of our 3 large LNG-powered vessels, the introduction of battery technology on several of our new vessels and the

We place great emphasis
on integrating sustainability
into our service offering.



Cable-laying vessel Nexus installed a web of 69 inter-array cables at the 759 MW Hollandse Kust Noord offshore wind farm in the Netherlands.

utilisation of biofuels for numerous projects. Our new offshore installation vessel Boreas will be able to operate on methanol.

We have the intention to launch a Green Fuel Fund to provide our clients with fuel options that have a reduced greenhouse gas footprint. Together with our partners, we developed the world's first major charging station for high-capacity battery packs to power heavy electric construction equipment. The charging facility, named WattHub, was opened by His Majesty King Willem-Alexander in September 2023. The facility is powered by renewable solar and wind energy. WattHub is accessible to Van Oord and its partners as well as other users in the region.

The safety of our employees is always top of mind. We are diligent about onboarding and training, proactively communicate our policies and procedures and take steps to further lower the barrier to reporting unsafe situations. We nevertheless did not meet our internal safety performance target, as evidenced by an increase in the Total Recordable Injury Rate (TRIR 2023 0.79 versus TRIR 2022 0.51). The Lost Time Injury Frequency Rate saw only a minor increase (LTIFR 2023 0.16 versus LTIFR 2022 0.15). Thankfully, the severity of the injuries was relatively low. In 2024, we will introduce additional tools, trainings and interventions for a safe and healthy workplace.

Business units

Dredging & Infra

The repositioning as Dredging & Infra is strengthening our market position. The Dredging & Infra business unit looks back on a strong operational and financial year, achieving high revenue totalling EUR 1.4 billion.

Over 140 projects were carried out in 2023. The Fehmarnbelt Fixed Link project progressed well. The project involves dredging an 18-kilometre-long tunnel trench in the seabed between Germany and Denmark and reusing the dredged material to create a recreational nature reserve. In Egypt, we began work on the Ain Sokhna Port project. We are deploying a large cutter suction dredger and a fleet of sand carriers for the deepening and expansion of the port. The unique set of equipment enables us to work very efficiently.

In the Netherlands, good progress was made on the A16 Rotterdam motorway project. Another large Design, Build, Finance and Maintain (DBFM) project, the Afsluitdijk, also made good progress. The renewal of both the Waddenzee and IJsselmeer side of the dyke has been completed. We are finalising work on the Nieuwe Spuimiddelen discharge sluices and large pumps to accommodate anticipated high water levels in the IJsselmeer.

In addition, we executed a number of beach nourishment projects using our new LNG-powered vessels Vox Ariane, Vox Apolonia and Vox Alexia. The business unit closed out the year with an order book of EUR 2.2 billion. Among the most important awarded contracts are 3 new projects to reinforce the Romanian coast. We were also awarded several large-scale projects in Abu Dhabi and Dubai. Because of our high level of activity, we recommissioned trailing suction hopper dredgers Vox Maxima and Volvox Terranova. After several years of being idle they were reactivated for deployment on projects in the Far East and Middle East.

Safety is about more than knowing the rules and procedures. It is about **proactive safety leadership.**



Offshore Energy

The Offshore Energy business unit experienced a dynamic year. We successfully resolved key financial matters related to cost escalations in 2022, and various highly technical and challenging projects were completed to the satisfaction of our clients. Notably, the completion of the Saint-Brieuc offshore wind project off the French coast, acknowledged as the most challenging foundation contract in offshore wind history, was a major achievement. Our revenue soared to a record high of EUR 1.4 billion. Following 2 years of losses, our offshore wind business returned to profitability in 2023.

For the first time in our 155-year history, we embarked on a project in the United States. We will install 12 turbines as part of the South Fork project for our client Ørsted. The wind farm will deliver clean energy to households in the New York area. We were also contracted by Mitsubishi for the first phase of the early works for 3 large offshore wind projects in Japan. Our scope includes project management, engineering and design and procurement services. This project is carried out in joint venture with Kajima.

Our fleet of 3 subsea rock installation vessels was highly active throughout 2023, setting world records in the process. The flexible fallpipe vessel Stornes successfully deployed rock at a remarkable depth of 1,364 metres, while Nordnes achieved a huge milestone by surpassing 20 million tonnes of installed rocks.

After years of inactivity, our shallow water pipe lay barge, Stingray, successfully completed the installation of 5 pipelines for the Dos Bocas Monobuoys project in Mexico. Furthermore, we started a complex pipeline project for ExxonMobil in Guyana on which we incurred a significant loss. The project will be finalised in 2024 and will enable Guyana to transport and use natural gas to generate electricity.

Offshore Energy ended the year with an order book of EUR 2.2 billion. Among the most important awarded contracts were Hollandse Kust West, Baltic Power (Poland's first offshore wind farm), and Greater Changhua 2B and 4 in Taiwan.

Strategy and outlook

Over the last few years, we have been implementing our strategy Building the Future Together. As part of this strategy, we continue to build and expand our synergistic portfolio of maritime activities. That requires profitable growth, and we are confident that our business will continue to grow over the coming years. After facing challenging market conditions for over 5 years, we witnessed a clear market recovery in 2022



and 2023. Climate adaptation, the energy transition and corresponding need for marine infrastructure are the drivers of this recovery. Looking ahead, we remain optimistic about our markets. We expect our order book to increase further this year. In 2024 we foresee record-high CAPEX due to significant investments in new equipment. After the remarkable year of 2023, we expect lower revenue in 2024. Our margins will continue to improve barring any unforeseen events.

Change of leadership

2023 was an exceptionally busy year for Van Oord. After a difficult period, we have proven that with resilience and hard work, we are able to meet our clients' expectations and return to healthy margins. I would like to thank our colleagues around the world for their commitment and contribution to this successful year.

In April 2024 and after 16 years of writing the Message from the CEO, I will hand over the helm to my cousin Govert van Oord and entrust him with the leadership of Van Oord. The transition from the fourth to the fifth generation of the Van Oord family marks an important milestone in our company's history. In family companies, succession is always seen as a critical moment. I am very pleased that the leadership of our family company will remain within the Van Oord family and I wish Govert van Oord all the success needed.

I would like to thank all colleagues who have worked with me over the past 30 years for their continuous support and helping me make Van Oord a successful company.

Rotterdam, 7 March 2024

Pieter van Oord

A year of momentum

and upward trajectory



The Supervisory Board independently monitors the performance of the Executive Committee and the general state of affairs of the organisation. The Supervisory Board is closely involved in the organisation's key developments and major decisions, while taking into account the interests of all stakeholders.

By 2023, Van Oord had overcome several significant challenges, from technical complexities to supply chain disruptions. The Supervisory Board continued to monitor how the organisation addressed knock-on effects of COVID-19 and the war in Ukraine and remained involved in otherwise complex projects. The focus in 2023 was on strategy and planning. Over the year, we held 6 regular meetings with the Executive Committee on topics from sustainability to succession planning.

Organisational performance

Van Oord continued its upward trajectory in 2023, and not just from a revenue perspective. The workforce grew, which was essential to accommodate the rising level of activity. Both business units made substantial progress on some of our most challenging projects to date. The Afsluitdijk and A16 Rotterdam motorway projects were progressing steadily. The Saint-Brieuc and Greater Changhua 2a projects were delivered to the complete satisfaction of our clients, who subsequently awarded Van Oord 2 new offshore wind contracts. A vote of confidence and recognition for the teams' remarkable achievement. We also attribute the organisation's return to calmer waters to improvements to our risk management approach.

The Supervisory Board regularly discussed safety performance and safety incidents with the Executive Committee. Due to increased company activity in 2023, incidents occurred more frequently, yet their severity decreased. The board also followed up on a serious accident that occurred in 2022 and discussed the findings of the investigation in great detail with the Executive Committee.

Supervisory Board performance and composition

The composition of the Supervisory Board changed in 2023. After serving almost 11 years, Mr Van der Ven stepped down from the Supervisory Board of Van Oord N.V. in April 2023. We would like to thank him for his dedication and contribution to the company. Mr Sevinga has been appointed as a new member of the Supervisory Board for a 4-year term.

In 2023, the Supervisory Board was composed of the following persons: Mr Hoek (Chair), Ms Insinger, and Messrs Laurent Josi, Kretzers, Sevinga, Valkier and Verheul.

In 2024, the composition of the Supervisory Board will change again. Messrs Hoek (Chair), Valkier and Laurent Josi have been nominated for re-appointment by the General Meeting of Shareholders. Mr Oosterveer has been nominated for appointment as a new member by the General Meeting of Shareholders. Due to personal reasons, Ms Insinger stepped down from the Supervisory Board on 1 February 2024. We would like to thank Ms Insinger for her dedication and contribution to the company. Ms Fentener van Vlissingen has been nominated for appointment as a new member by the General Meeting of Shareholders, succeeding Ms Insinger. Mr Verheul was appointed on 1 September 2020 for a 4-year term, which has been extended to April 2025.



It was a year filled with in-depth discussions on topics that are at the heart of Van Oord's strategy, from leadership to sustainability.

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, Sevinga and Verheul were appointed in accordance with MerweOord's rights as stated in the shareholders agreement, Mr Laurent Josi was appointed in accordance with Ullran'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.

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 reviews investments in excess of EUR 100 million and investments selected by the Executive Committee. The members of the committee are Messrs Kretzers (chair), Valkier and Verheul. In 2023, the committee oversaw the delivery of LNG trailing suction hopper dredgers Vox Apolonia and Vox Alexia and cable-laying vessel Calypso, which were delivered on budget, on specification and in a timely manner. In addition, the committee advised the Executive Committee with regards to the mission equipment for the new offshore installation vessel Boreas, one of Van Oord's largest investments to date. Finally, the committee held discussions with the Executive Committee about key considerations for future investments. One of these considerations is the absence of an industry standard for the marine fuel and fuel systems of the future. The committee arrived at the conclusion that Van Oord's strategy should include diversifying its fleet and fuel systems as well as establishing a robust global infrastructure for servicing its vessels. The committee also held discussions about Van Oord's point of view on the growing size of offshore wind turbines and implications for its fleet.

Audit & Risk Committee

The Audit Committee was renamed Audit & Risk Committee to reflect the updated risk management framework. The committee reviews the company's financial affairs, risk management and compliance. The committee meets 4 times

a year in the presence of the CEO and CFO. The external auditor attended 3 meetings in 2023. Agenda items include the quarterly and annual figures, the audit plan, the auditor's report, dividend, treasury and financing, and tax. In 2023, the committee worked closely with financial and risk officers on improvements to risk management, with a focus on developing a portfolio view on risk. In addition, the committee held conversations with the Executive Committee about balancing risk in the portfolio and about Van Oord's stance on entering new markets and executing first-of-a-kind projects. The committee members are Messrs Laurent Josi (chair), Sevinga and Hoek.

Human Resources Committee

The Human Resources (HR) committee held 5 meetings in 2023. The Supervisory Board played a substantial role in the selection of the new CEO and CFO. The Supervisory Board and major shareholders reached the unanimous decision to nominate Govert van Oord as the new CEO of Van Oord N.V. The formal appointment will take place at the Annual General Meeting of Shareholders on 11 April 2024. In addition, the Supervisory Board unanimously decided to nominate Katja Otten for appointment by the shareholders as the new CFO effective from 1 January 2024. Ms Otten succeeds Jolanda Poots-Bijl, who resigned per 31 July 2023. Ms Poots-Bijl had a significant impact on Van Oord's success, and we thank her for her dedication. Finally, the HR Committee approved a proposal for a Long-Term Incentive Plan for Executive Committee members. The members of the HR committee are Messrs Hoek (chair), Sevinga, Valkier and Ms Insinger.

Tender Committee

The Supervisory Board's Tender Committee must approve all major and complex tenders. In 2023, the tender committee participated in the evaluation of over 14 large tenders. As part of the improved risk management framework, the committee spent significant time on assessing the risk exposure of these projects and following up on mitigation measures. In 2023, these risks varied from the ongoing war in Ukraine, a resurgence of violence in the Middle East, to unforeseen technical challenges outside of Van Oord's control. The committee's role included challenging the Executive Committee on the application of protective contractual clauses and the de-risking of the supply chain. The members of the committee are Messrs Hoek (chair), Verheul and Kretzers.

Strategy

The Supervisory Board spent significant time on the corporate strategy Building the Future Together, including the repositioning

from 4 to 2 business units. The board was involved in the decision of the Dredging & Infra business unit to steer away from large infrastructure projects involving the limited use of large owned equipment. These projects are characterised by relatively high risks and low margins. In addition, the board reviewed the long-term strategy of the Offshore Energy business unit. The deteriorating margins on large offshore wind projects were an area of attention. The board encouraged an increase in risk provisions for offshore wind projects in order to strengthen the financial position of the business unit.

Sustainability


Sustainability was on the agenda of every board meeting. The board encourages Van Oord to form a comprehensive understanding of the (potential) impacts of its business activities on the environment and on society and to determine opportunities for achieving net-positive impact. We also encourage the development of new sustainable business activities. Therefore, we supported leadership in the decision to form the Dredging & Infra and Offshore Energy business units in pursuit of addressing 2 of today's most urgent challenges: climate adaptation and the energy transition. In addition, we see potential in the restoration of marine ecosystems like coral reefs and mangroves.

In 2023, the board challenged the Executive Committee on Van Oord's 2050 net-zero emissions target, specifically whether Van Oord could realistically accelerate its greenhouse gas reduction pathway. After careful consideration, we collectively concluded that it is unlikely that we can shorten the timeline due to the limited availability of biofuel, lack of industry standard for the marine fuel of the future and state of engine technology. Therefore, the board supports maintaining the 2050 targets.

The impact of the Corporate Sustainability Reporting Directive (CSRD) on Van Oord was also an important topic of discussion. The CSRD will require Van Oord to collect, analyse and report on vast amounts of sustainability data. We encourage the organisation to push ahead and get the tools and processes in place for compliance with the CSRD as of financial year 2025. Van Oord is making steady progress, and the performance of a double materiality assessment is on the agenda for 2024. The double materiality assessment will improve the focus of our sustainability strategy and will guide our data collection efforts. The Supervisory Board is confident that sustainability has the full attention of the organisation.

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 2023. We propose that the General Meeting of Shareholders adopt the 2023 annual financial statements and a dividend pay-out of EUR 53.7 million based on the dividend policy. 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.



Heavy-lift installation vessel Svanen installed 50 monopiles for the Baltic Eagle offshore wind farm in Germany. In total the vessel has installed more than 700 foundations throughout Europe and the vast majority of monopiles in the Baltic Sea.

Outlook

As the Supervisory Board, we follow up on strategic decisions, monitor their impact and look towards the future. We are dedicated to having the right conversations about the right topics to help move the organisation forward. We look back on a year filled with in-depth discussions on topics that are at the heart of Van Oord's strategy, from leadership to sustainability, and will continue doing so in the year ahead.

The repositioning, the improved risk-reward balance of the portfolio and order book and focus on sustainability all contribute to our optimism. Under the leadership of Pieter van Oord, the organisation has transformed into a leading international marine contractor.

In 2024, Govert van Oord will assume the position of CEO, and as the Supervisory Board we could not be more pleased. We look forward to supporting the organisation through this exciting transition.

We would like to thank all Van Oord employees for their contributions, flexibility and support, which led to much improved results.

Rotterdam, 7 March 2024

On behalf of the Supervisory Board,

Niek Hoek, Chair



The leadership transition from the fourth to the fifth generation of the Van Oord family marks an important milestone in Van Oord's history.

Pieter van Oord, a fourth-generation member of the Van Oord family, has served as Van Oord's CEO for more than 15 years. With a total of 30 years of experience as well as a lifetime of dedication to the company, Pieter was the driving force behind Van Oord's successful venture into offshore wind and pipelaying activities. In his various roles, he helped establish Van Oord as a global market leader.

Under Pieter's leadership, Van Oord built the offshore installation vessels Aeolus and Boreas, cable-laying vessels Nexus and Calypso, cutter suction dredgers Athena and Artemis and 4 new trailing suction hopper dredgers Vox Amalia, Vox Ariane, Vox Apolonia and Vox Alexia, next to numerous other vessels.

As CEO, Pieter also led Van Oord's acquisition of Ballast Nedam Offshore, which included the successful heavy-lift installation

vessel Svanen. Furthermore, he helped establish 2 equal-sized business units, Dredging & Infra and Offshore Energy. Both business units reached an annual revenue of EUR 1.4 billion and are profitably operating in more than 40 countries around the globe.

With a clear focus on Van Oord's customers and highly motivated staff, Pieter contributed to the organisation's strong reputation in core markets. He led the Van Oord organisation from the front and with great enthusiasm.

Pieter is expected to transition to Van Oord's Supervisory Board in due course. We are very grateful for Pieter's many contributions to Van Oord. Starting 1 June 2024, Pieter will bring his vision and leadership to the Royal Schiphol Group, where he will take up the reins as the new CEO.



1 World of Van Oord

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Dredging & Infra



Enabling protection and prosperity by **providing climate adaptation** and **sustainable marine infrastructure solutions.**

In 2023, the Dredging and Netherlands business units merged to **move forward under the name Dredging & Infra**. The repositioning is an important change that enables Van Oord to combine the capacity and capabilities required to execute major climate adaptation projects in a cyclical market. The newly formed business unit engaged in 146 projects in 35 countries around the world. We are proud to have maintained a strong operational performance while transforming the business unit.

The business unit looks back on a strong operational and financial year during which we delivered high-quality climate adaptation solutions for several of our clients. The Addu City project in the Maldives is a good example of the role that we can and want to play in fostering a sustainable future. The strong financial results were driven by a record order book, high fleet utilisation rate and strong project performance.

Our business unit made substantial progress on both infrastructure and dredging projects in the Netherlands and executed a large number of projects in other European countries, the Middle East and to a lesser extent Asia and North and South America. At the same time, we continued to see the effects of the nitrogen crisis in the Netherlands on the tender and award volume in the Dutch infrastructure market, which remained slow.

Because of our high level of activity, we recommissioned trailing suction hopper dredgers Vox Maxima and Volvox Terranova. After several years of being idle, they were re-activated for deployment to projects in the Far East and Middle East. In addition, we executed a number of beach nourishment projects using our LNG-powered vessels Vox Ariane, Vox Apolonia and Vox Alexia.

Awarded contracts

We were awarded 3 new contracts to reinforce the Romanian coast, with a combined value of approximately EUR 200 million. The project involves the design and construction of over 6 kilometres of climate-resilient coastline. We are proud to continue our climate adaptation activities in Romania, where we have already reinforced more than 26 kilometres of coastline. As in past projects in Romania, we will deploy nature-based and nature-friendly solutions, such as artificial reefs and bio-structures, and plant various species of seagrass and algae to enrich marine life.

We also saw a considerable award level in Germany and the UK. Van Oord and joint venture partner DEME were awarded a new contract for maintenance dredging of the Elbe River. The joint venture has been working on the Elbe River for several years.

The new LNG trailing suction hopper dredgers are well suited to perform the work.

FSRU Wilhelmshaven, a joint venture between Engie and Tree Energy Solution, contracted Van Oord to construct a Floating Storage and Regassification Unit (FSRU) jetty at Wilhelmshaven in Germany. The FSRU jetty will enable the efficient and safe transport of LNG. The project is backed by Germany's 2022 LNG Acceleration law. The Dredging & Infra and Offshore Energy business units will leverage their joint expertise and experience to execute the work and meet the client's ambitious timeline.

In the UK, Van Oord was awarded a contract to construct a flood protection scheme for Millport, on the island of Great Cumbrae. The project combines the strengths of subsidiary Mackley and Van Oord. Mackley is responsible for the replacement, reinforcement and reconstruction of the concrete flood walls and revetments, while Van Oord is responsible for all rockworks. The upgrades to Millport's coast are critical to protecting the island's year-round residents as well as the local economy, which is largely dependent on tourism.

Finally, we were awarded several large-scale projects in the Middle East, including in Abu Dhabi and Dubai, for which we will utilise several pieces of large equipment.

Ongoing and completed projects

Fehmarnbelt Fixed Link

The Fehmarnbelt Fixed Link project was progressing well in 2023. When completed, Fehmarnbelt will be the world's longest immersed road and rail tunnel. It will significantly cut down travel time between Germany and Denmark and consequently reduce transport emissions. We are using our energy-efficient trailing suction hopper dredger Vox Amalia, which aligns with the environmental ambitions of the client. The project involves the dredging of an 18-kilometre-long tunnel trench in the seabed and reusing the dredged material to create a recreational nature reserve. The design of the Vox Amalia has proven very effective for the dredging of stiff glacial clay. The project is expected to be completed in 2024.

Ain Sokhna Port

In Egypt, we began work on the Ain Sokhna Port project. We are deploying a large cutter suction dredger and a fleet of sand carriers for the deepening and expansion of the port. The expansion will facilitate the development of a network of railway lines, including a high-speed train line, to connect the Ain Sokhna Port with the Port of Alexandria. In addition, the Ain Sokhna Port will be expanded with a large hydrogen plant and methanol plant to supply green fuel to vessels passing through the Suez Canal.

Harwich approach channel and harbour

In the summer of 2023, we completed the Harwich deepening project in the UK. The deepening of the Harwich approach channel allows the latest generation of container vessels unimpeded access to Harwich Haven and the Port of Felixstowe, the largest container port in the UK. We executed the project successfully despite challenging soil conditions. In total, we dredged 15 million cubic metres of silt, sand and clay. In line with our commitment to empowering nature and communities, we discharged granular dredged material onto 2 beneficial islands to protect the coastal area from the effects of climate change and sea level rise. In addition, the islands provide an ideal habitat for seabirds.

Upgrading Twente Canals

Van Oord and consortium partners Hakkers and Beens completed the Dutch Twente Canals project, which involved the upgrading of the waterway to make the ports of Almelo, Hengelo and Enschede more accessible. We paid significant attention to sustainability, for example by reusing construction materials and dredged material on projects in the area. In addition, we created 13 kilometres of nature-friendly riverbanks.

Addu City

We completed a large-scale reclamation project in Addu City, Maldives. The project supports the climate adaptation goals of the Maldives. Our scope included coastal protection and the addition of climate-resilient land to accommodate housing as well as resorts to generate economic growth. Throughout the project, we carefully navigated the environmental and social risks of the project. We implemented various mitigation measures, including the relocation of over 73,000 coral colonies, the enclosing of the reclamation area, monitoring near the reclamations to control sedimentation and turbidity, and the use of nature-based solutions. To manage and mitigate social risks, the project team worked closely with the local community, for example by involving local experts and offering temporary employment opportunities.

Palm Jumeirah

In 2023, we returned to Palm Jumeirah Island in Dubai to conduct extensive planned maintenance of the Palm's beaches. We reinforced the beaches over a length of 55 kilometres, constructed 3 groynes to protect the shore against erosion and deployed trailing suction hopper dredger Volvox Olympia to restore the beaches. Stakeholder management and communication were key to the success of the project. As the island is now fully inhabited, the project team worked proactively to involve the local community and mitigate the impact of our activities on residents and business owners.

Other projects

The A16 Rotterdam motorway project and the renovation of the Afsluitdijk were progressing as planned in 2023. In addition, our business unit completed the land reclamation and dredging activities for the Dos Bocas Monobuoys project in Mexico.

Subsidiaries

Van Oord's soil improvement subsidiary Wicks remained active on projects in Europe, the Middle East, Abu Dhabi and Nigeria, and achieved good results. Van Oord's Mediterranean subsidiary Dravo executed Spain's largest beach nourishment projects to date in Valencia and Alicante. Mackley, Van Oord's civil construction subsidiary in the UK, continued their coastal construction projects. Currently, Mackley's biggest project involves the construction of the Havant Thicket Reservoir, which will provide some 2.5 million people with over 20 million litres of drinking water daily.

Our subsidiaries Paans Van Oord and Van Oord Grondstoffen had a good year. Paans Van Oord serves the Dutch market with specialised 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.

Sustainability

In September, we reached a significant milestone with the opening of the WattHub charging facility in the Netherlands. We developed WattHub in partnership with our consortium partners Dura Vermeer and Ploegam, and with Betuwewind as part of the Tiel-Waardenburg dyke reinforcement project. The consortium has committed to carrying out the project with zero emissions, which requires new charging facilities for high-capacity battery



Trailing suction hopper dredger Utrecht supplying sand to create 45 hectares of new land in the Princess Alexia Harbour in Rotterdam, the Netherlands.



Key figures

Revenue*

 **1,442**
2022: 1,214

Order book*

 **2,239**
2022: 1,871

Projects

 **146**
2022: 130

Countries

 **35**
2022: 30

* million euros



packs that power heavy electric construction equipment. The facility is powered by renewable solar and wind energy. WattHub is accessible to Van Oord and its partners as well as other users. This enables local businesses to accelerate their investments in sustainable equipment, particularly at a time when access to the grid is limited. The investment in the WattHub charging facility is a major step in the electrification of our construction sites.

Fleet and equipment

Van Oord is an industry front runner in the establishment of a more sustainable fleet. In 2023, we celebrated the commissioning of our new LNG trailing suction hopper dredgers Vox Apollonia and Vox Alexia. We also commissioned additional electric excavators, which will lower our project emissions, as well as the first electric wheel loader in the Netherlands. We are currently using the wheel loader for the Hansweert dyke reinforcement project, which is part of the province of Zeeland's investments in coastal defence.

Wicks received 3 new Rapid Impact Compaction (RIC) machines, which use a hydraulic hammer for the compaction of soil for land reclamation projects. Compared to Wicks' existing RIC equipment, the machines are 78% more powerful while consuming 13% less fuel, resulting in higher performance and lower emissions. The machines will play an important role in our land reclamation activities in the Middle East and Asia.

The construction of 2 new hybrid water injection dredgers progressed as planned in 2023. The vessels feature large battery packs and are driven by new engine technology to reduce our emissions. The first vessel will be commissioned in 2024 and deployed primarily on long-term maintenance projects.

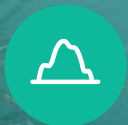
Outlook

2023 was a dynamic year for our business unit. We achieved good results, and we did it as a team. We spent time and attention bringing people together, embedding the Van Oord behaviours in our way of working, and developing a shared identity. We got organised, and we are in shape to benefit from our new set-up. Just a year in, we already see that the repositioning is strengthening our position in the market. As such, we are both optimistic and realistic about the years ahead. The attitude towards sustainability among our clients and in our market as a whole is shifting, and there is a growing appetite for executing projects sustainably, with energy-efficient equipment and lower or even zero emissions. We are ready to meet our clients' sustainability ambitions and to continue to exceed their expectations.



Addu City, Maldives

The project contributed to empowering nature and communities and the region's economic development.



Hectares of new, resilient land

200



Kilometres of coastal protection

11



Corals relocated

73,000



Offshore Energy



Providing offshore energy infrastructure to **meet the growing demand for energy** and enabling the global transition towards renewable energy.

As our markets evolve, we evolve. The Offshore Wind and Offshore business units merged in 2023 to become Offshore Energy. Together, we are serving our clients in the global energy market with a shared set of products and services and a mutual ambition to facilitate and accelerate the energy transition. Our market offers a tremendous amount of opportunity. It also comes with risks. In 2023, we delivered complex projects under challenging circumstances and contributed to Van Oord's sustainability objectives.

The Offshore Energy business unit experienced a dynamic year. To begin with, we overcame a number of financial and operational challenges. We were pleased to reach several important financial settlements related to cost increases in 2022. These settlements contributed to our overall result. We also completed a number of technically challenging projects to the complete satisfaction of our clients. The completion of the Saint-Brieuc offshore wind farm, for example, marked the most complex wind farm built to date. In addition, we were able to manage the risks in our projects better than in previous years.

The level of risk, however, remains significant. The supply chain in offshore wind is struggling to keep up with the demand, resulting in the limited availability of resources. On top of that, there are many other risks that we cannot control but must manage, from inflation to the economic impact of geopolitical conflicts. To make the necessary investments and remain a leader in the energy transition, we have to adjust our pricing and protect our business through fair and balanced contracts.

It is clear that we are in the middle of a substantial change. More and more clients accept that the nature of our industry, in which volatility is the rule and not an exception, demands higher risk contingencies. We are having constructive conversations with our clients about cost increases, and we are gradually restoring the risk-reward balance of our portfolio by prioritising clients who are willing and able to adapt. As a result, we have established a healthy order book, with projects that allow us to leverage our expertise and experience and make substantial contributions to the energy transition.

Awarded contracts

Hollandse Kust West

Ecowende, a joint venture between Shell and Eneco, awarded Van Oord the contract for the construction of the Hollandse Kust West wind farm. We will be responsible for transporting and installing the foundations, installing eco-friendly scour protection, transporting and laying the inter-array cables,

and transporting and installing the wind turbines at sea. Recognising the value of biodiversity and ocean health, Ecowende is seeking to build the most ecologically friendly offshore wind farm to date. We were awarded the contract due to our strong track record in sustainability, as well as our long-standing relationship with the client. We will implement innovative solutions to protect the underwater ecosystem and enhance marine life, including eco-friendly piling techniques and scour protection. The project is a culmination of our extensive research and development activities to enable the construction and operation of offshore wind farms in harmony with the marine environment.

Baltic Power

After being selected as a preferred contractor for the construction of the Baltic Power offshore wind farm, we were officially awarded the contract in the fall of 2023. The wind farm will be located in the Baltic Sea and features 76 wind turbines with a total capacity of 1.14 GW to supply renewable energy to more than 1.5 million households in Poland. Baltic Power will be Poland's first offshore wind farm and an important step in the country's transition to renewable energy. We will transport and install the foundations using heavy-lift installation vessel Svanen and install the scour protection using subsea rock installation vessel Bravenes. The project is scheduled to start in 2024 and is expected to be completed in summer 2025.

Greater Changhua 2b and 4

Following the completion of the cable installation works at Greater Changhua 1 and 2a, we were awarded the Greater Changhua 2b and 4 wind farms. The award is a recognition of our strong performance and ability to overcome the challenges on the 1 and 2a project. The new wind farms are located 50 kilometres off the west coast of Taiwan. With a total capacity of 920 MW, they will supply renewable energy to approximately 1 million Taiwanese households per year. We will be responsible for the transport and installation of 3 export cables with a total length of approximately 175 kilometres. To transport and install the cables, we will

deploy cable-laying vessel Nexus. Our trencher Dig-It will bury the cables to the required depths. The works are scheduled to start in 2024 and expected to be finished in 2025.

Other awards

Van Oord was awarded the contract 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 includes the Baltic Eagle wind farm for which we finalised the installation works in 2023. Also in Germany, Van Oord was awarded the contract for the construction of the Floating Storage and Regassification Unit (FSRU) jetty at Wilhelmshaven, which will enable the efficient and safe transport of LNG.

Ongoing and completed

Gas to Energy

In Guyana, Van Oord and consortium partner Subsea7 are working on the Gas to Energy project. Van Oord's scope includes project management and the engineering and installation of approximately 75 kilometres of natural gas pipeline in water depths of up to 28 metres. The project will positively contribute to Guyana's electricity supply infrastructure, thereby reducing its dependence on imported fuels. During project execution, challenges related to varying seabed and environmental conditions emerged, requiring adjustments to our method and the mobilisation of additional equipment. We are currently working closely with our client to resolve these challenges and are confident that we will achieve a satisfactory outcome for the client that will also reduce the loss we incurred on the project.

Sangomar field

In Senegal, Van Oord completed a high-precision subsea rock installation project for the development of the Sangomar field. During the project, our flexible fallpipe vessel Stormes set a new world record by carrying out the installation works in a water depth of 1,364 metres. In total, we installed 262,000 tonnes of rock for the stabilisation and protection of subsea infrastructure. The Sangomar field is in a remote area approximately 100 kilometres south of Dakar and therefore required a ship-to-ship transfer method to supply the Stormes with rock.

Hollandse Kust Noord

We successfully completed the installation of the Hollandse Kust Noord offshore wind farm. Hollandse Kust Noord is located 18.5 kilometres off the coast near Egmond aan Zee and supplies more than 1 million Dutch households with renewable energy. As a Balance of Plant contractor, we were responsible for the design, engineering, procurement and transport and

installation of the 70 wind turbine foundations, scour protection, inter-array cables, as well as the transport and installation of the wind turbines. Hollandse Kust Noord marks the fifth offshore wind farm for the Dutch market. It also marks one of the fastest offshore wind developments to date. We were able to execute our scope within 1 year, without compromising quality or safety, in order to accelerate the Dutch energy transition.

Dos Bocas Monobuoys

In Mexico, we completed the Dos Bocas Monobuoys project involving the installation of pipelines and single point mooring (SPM) buoys for the new PEMEX refinery. The project contributes to the energy independence of Mexico, lowers CO₂ emissions related to the transport of energy and generates local employment opportunities. The recently refurbished shallow water pipe lay barge Stingray performed the installation works.

Baltic Eagle

We finalised the Baltic Eagle offshore wind farm project in the fall. We were responsible for the transport and installation of the foundations, and for the supply, transport and installation of the inter-array cables. We deployed our heavy-lift installation vessel Svanen to install the 50 foundations. The Nexus installed the inter-array cables and our customised trencher Dig-It buried the cables. We encountered significant delays due to piling noise restrictions, but ultimately delivered our scope on time and to the satisfaction of the client.

Saint-Brieuc

In August we completed the installation of 62 jacket foundations at the Saint-Brieuc offshore wind farm in France. We experienced significant challenges and delays due to the extremely hard and rocky seabed and difficult environmental conditions. We overcame these challenges by engaging in extensive problem-solving and testing, which resulted in the engineering and construction of project-specific installation equipment upgrades to offshore installation vessel Aeolus. The project team successfully collaborated with the client and with partners to deliver true Marine ingenuity.

Mozambique LNG project

In 2021, the TotalEnergies LNG project in Mozambique was suspended due to activities by insurgents. In 2023, we continued to monitor the security situation and in addition, we continued our social investment programme in collaboration with partners in Mozambique to support the local population of Cabo Delgado. In late 2023, initial steps were undertaken to prepare for a potential restart of the project.



Shallow water pipe lay barge Stingray, the key asset in the delivery of our integrated energy infrastructure solutions for the Dos Bocas project in Mexico.



Key figures

Revenue*

 **1,424**
2022: 807

Order book*

 **2,190**
2022: 2,429

Projects

 **63**
2022: 71

Countries

 **21**
2022: 20

* million euros



Sustainable business models

We proactively pursue opportunities to enhance the energy transition and at the same time empower nature and communities, for example by including research-based solutions for enhancing biodiversity in our project proposals. In addition, we invest in new sustainable business initiatives. Over the years, we have built partnerships, engaged in extensive research and development efforts and conducted pilot projects as part of Van Oord's Ocean Health initiative. As a result, Van Oord has gained experience, expertise and capabilities in restoring marine ecosystems such as coral, mangroves, oyster beds and seagrass.

In 2023, the Ocean Health initiative gained traction. We see that more clients are interested in paying for sustainable marine solutions. In some cases, the incorporation of eco-friendly and biodiversity-enhancing solutions is a deciding factor in the award decision, as was the case with the Hollandse Kust West offshore wind farm. Ocean Health is now entirely self-sustaining, a milestone by itself. As a contributor to Van Oord's Ocean Health initiative, we are continuing our research and development activities, for example by conducting a pilot with droppable oyster broodstock structures in partnership with Ørsted. We are taking a similar approach to other types of renewable energy infrastructure: we build our knowledge and expertise, put it into practice, and prove that our solutions add value in order to generate demand.

Outlook

Despite the current volatility in the global energy market, we are optimistic about our future. The awarded offshore wind portfolio consists of projects with healthy margins and more balanced risk provisions. We foresee that our margins will increase the coming years.

Our business unit plays a vital role in the energy transition; in meeting the targets of governments around the world to accelerate the construction of renewable energy infrastructure. We have many technologies at our disposal to do exactly that. Increasingly, we are engaging in conversations with clients about long-term agreements, a positive trend and vote of confidence. This is a direct result of our proven ability to meet and exceed our clients' expectations, even under the most challenging of circumstances.

At the same time, we continue our activities for the oil and gas sector. In most parts of the world, communities still rely on carbon-intensive energy sources to ensure sufficient and affordable access to energy. While we remain committed to accelerating the energy transition, we recognise that oil and gas remain critical components of the energy mix. Therefore, we will continue to build the necessary infrastructure and we will do so with the utmost care for people and the environment. As the energy transition progresses, however, the centre of gravity of global energy demand will continue to shift towards renewable energy infrastructure activities.

Looking at our new business unit, we see an impressive mix of expertise, experience and talent. We continue to invest in our people. Good leaders who foster psychological safety and facilitate the development of their teams are crucial to our success. We have established a capable and international team, as well as a complementary fleet to deliver offshore energy solutions for our clients around the globe.

Our focus remains on the European offshore wind market. Outside of Europe, we tread carefully and evaluate the risks and rewards of projects on a case-by-case basis. We will prioritise the opportunities that enable us to deliver the most value for our clients, help empower nature and communities, and provide healthy returns for our business.



Saint-Brieuc offshore wind farm, France

Offshore installation vessel Aeolus contributing to France's energy transition.



Jacket foundations

62



Total installed capacity

496 MW



Clean energy for people

835,000



2

Strategy and value creation

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Markets and relevant trends

Anticipate and adapt to the unexpected, that is what we learned from our markets in 2023. The year was marked by the ongoing war in Ukraine, a resurgence of violence in the Middle East, growing geopolitical tensions, the shift of European politics to the right and extreme weather events associated with climate change.

This tumultuous year also saw the rapid rise of Artificial Intelligence (AI), the stabilisation of interest rates and inflation, and the recovery of the stock markets. We have been directly and indirectly affected by these developments. Vessels needed to reroute last minute, and offshore wind projects were postponed or even cancelled. In addition, we prepared for the growing semi-closed dredging market as a result of increased domestic preference and piloted the use of AI in our internal work processes. In these turbulent times, it is especially important that we stay focused on how best to deliver on our corporate strategy. That is exactly what we did in 2023. Highlights included the successful corporate repositioning, the christening of 3 vessels and a record revenue level. We are confident in the long-term health of our markets and we made some important steps to strengthen our strong foundation to achieve growth and improve profitability.

The world around us in 2023

While we are operating in a post-COVID world, the years following have proven to be just as turbulent as those affected by the pandemic. In addition to geopolitical instability and conflicts, we experienced concerning global developments, including the slowing of the Chinese economy, volatile commodity prices and changes in global political leadership. We are used to dealing with risks in our business, nevertheless the uncertainty associated with these developments is unprecedented. Analysts predict an increase in protectionist policies and continuing deglobalisation in 2024, which are expected to further disrupt global supply chains and trade flows.

Need for change

At the same time, we see clear evidence of the continued recovery of our markets, and the long-term outlook is favourable. At COP28, countries agreed to triple the world's installed renewable energy generation capacity to at least 11,000 GW by 2030 and to double the global average annual

rate of energy efficiency improvements from 2% to 4% every year until 2030. The world's commitment to phasing out fossil fuels in the next 25 years will drive the long-term growth of our offshore energy activities. Environmental and demographic developments present opportunities for Van Oord as well. The world population has surpassed 8 billion, with 57% living in urban areas. Additionally, many large population centres are in coastal areas. Van Oord's climate adaptation solutions will play a substantial role in protecting communities in low-lying coastal areas against rising sea levels.



Global dredging and Dutch infra market

The gradual but steady growth of the open dredging market (i.e. approx. EUR 6 billion) and the stable Dutch infrastructure markets (i.e. approx. EUR 17–19 billion) resulted in a substantial revenue increase in 2023. In addition, we leveraged our integrated marine solutions by, among other things, the repositioning of our business units to increase our market share. We saw significant demand for our solutions in Europe as well as the Middle East and Far East, where we were involved in a number of maintenance dredging and land reclamation projects. This development had a positive impact on our fleet utilisation rate. At the same time, we observe a trend towards deglobalisation and a preference for local solutions, which is changing the competitive landscape. We are confident that our well-balanced dredging fleet qualifies us to participate in large and impactful projects in the coming years. Our dredging and infrastructure solutions also play a critical role in the creation of climate-resilient land and the reinforcement of coastlines and flood defences. The demand for climate adaptation solutions will only continue to grow as the impacts of climate change become more visible.

The ongoing nitrogen and PFAS crisis continues to impact the Dutch infrastructure and construction market. In a highly developed and densely populated country, the upgrading and rebuilding of roads, dykes and bridges represents a significant share of the construction activities. The Dutch government's strategic focus on modernisation involves investments in large infrastructure projects that support the economy and drive growth. Although, the changing political landscape in the Netherlands slows down decision-making around challenges as nitrogen. In addition, as a result of global economic developments such as inflation and volatile commodity prices, client budgets are still under pressure. On a positive note, the introduction of two-phase contracts reduces risk for contractors and leaves more room for innovation and sustainability.

Global offshore energy market

The growing energy demand requires new offshore energy infrastructure. As a result, Van Oord's Offshore Energy business unit is experiencing substantial growth. High oil and gas prices, Europe's energy dependency and steadfast political support for renewable energy are likely to result in a turnaround of the offshore wind industry. Europe's ambition to increase the share of renewables in its energy mix to 42.5% by 2030 contributes to our positive outlook for the renewable energy infrastructure market. In 2023, we first observed an increase in developments, followed by a unprecedented number of

cancellations of projects. There is a high need for stabilisation, and in the meantime, a limited number of commercial contractors is both able and willing to take on the risks associated with offshore wind projects, even as price levels improve. As Van Oord observed in Saint-Brieuc, offshore wind farms are increasingly located farther off the coast, adding complexity. The complexity is also growing in terms of new opportunities in adjacent markets, for example in floating renewables, and sustainability. Together with our partners, Van Oord is taking on the challenge of building the most ecological and nature-friendly wind farms to date.

Van Oord is committed to leveraging its solutions to address societal challenges. Our Offshore Energy business unit plays a key role in the energy transition, carries out highly complex projects in deep-water basins and continues its infrastructure activities for the transport of gas, an important transition fuel. In 2023, our pipelaying activities contributed to Guyana's low-carbon development strategy and plans to replace carbon-intensive fuels with natural gas as the country's main energy source. The offshore wind industry also continues to rely on our subsea rock installation activities for the development of renewable energy infrastructure. We expect the offshore energy market to not only grow, but also to expand with new energy systems like carbon capture and storage (CCS). We are prepared to leverage our subsea rock installation activities to contribute to these new energy systems.

Efficient and safe energy facilities are essential to meeting the increasing energy demand.



Stakeholders and materiality matrix

We regularly review and update our materiality assessment to understand which economic, social and environmental themes are most important to our organisation and our stakeholders. In 2023, we repeated the survey and conducted follow-up interviews and activities with internal and external stakeholders. The results indicate that Van Oord's strategy is aligned with our stakeholders' priorities.

Van Oord recognises that stakeholder priorities and expectations can change over time. Global trends, market developments, innovation, regulatory changes and societal attitudes can cause material themes to gain or lose significance. Therefore, we evaluate our stakeholder interests annually and use the insights from our materiality assessments to refine and guide the implementation of our strategy and environmental, social and governance (ESG) reporting and communication efforts.

Method

The objective of the 2023 materiality assessment was to follow up on the results of the 2022 materiality assessment. We applied consistent survey and interview methods in order to compare results and draw conclusions about evolving interests. As such, we surveyed internal and external stakeholders on the perceived relevance of the same 22 topics using the same set of questions as in 2022.

To promote a more balanced representation of internal and external stakeholders in the final report, we expanded on our methodology by conducting a follow-up workshop with a select number of internal stakeholders in addition to follow-up interviews with external stakeholders. The purpose of these follow-up interviews is to better understand the reasons behind stakeholder evaluations and changes in stakeholder priorities. In 2023, 7 external stakeholders and 6 internal stakeholders participated in the follow-up activities.

The external stakeholder group included financiers, partners and coalitions, government bodies, clients, suppliers, shareholders, NGOs and research institutes. The internal stakeholder group included employees representing different departments and varying levels of seniority. For each category (economic, social and environment), the survey asked participants to select the 3 themes that they consider most relevant to society. Next, the survey asked them to evaluate the impact of each theme on Van Oord, as well as Van Oord's

impact on each theme. After evaluating their shortlist of 9 material themes, external stakeholders had the option to submit the survey or continue evaluating additional material themes. Internal stakeholders had to rank all 22 topics.

Outcomes

In 2023, the materiality assessment produced fewer topics that exceeded the threshold for priority. Only 3 topics emerged as very important compared to 6 in 2022. These 3 topics were Climate Change Adaptation & Mitigation, Energy Transition and Biodiversity & Ecosystems.

Climate Change Adaptation & Mitigation emerged as the most material topic. Stakeholders view climate change as the world's most challenging and urgent problem. In addition, Van Oord's involvement in climate adaptation and mitigation projects means that the organisation can have a substantial positive impact on this topic. Stakeholders indicated that many of the topics on the list are either impacted by or contribute to climate change, which contributed to Climate Change Adaptation & Mitigation being viewed as the highest priority.

The material topic Energy Transition remained a priority topic in 2023. Stakeholders expressed a sense of urgency with regards to the energy transition and energy independence in light of the war in Ukraine and geopolitical developments in the Middle East. Stakeholders also view Van Oord as an important player in the energy transition. At the same time, they are aware of the organisation's continued activities for the traditional energy sector. The push to phase out fossil fuels on the one hand and the reality that oil and gas remain important to the global energy mix on the other hand, presents a dilemma for Van Oord. Stakeholders posed questions about Van Oord's plans and timeline for phasing out fossil fuels, demonstrating that Van Oord's impact on the energy transition is top of mind.

Materiality matrix



Enhancing the energy transition

17 Energy Transition



Accelerating climate actions

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



Empowering nature & communities

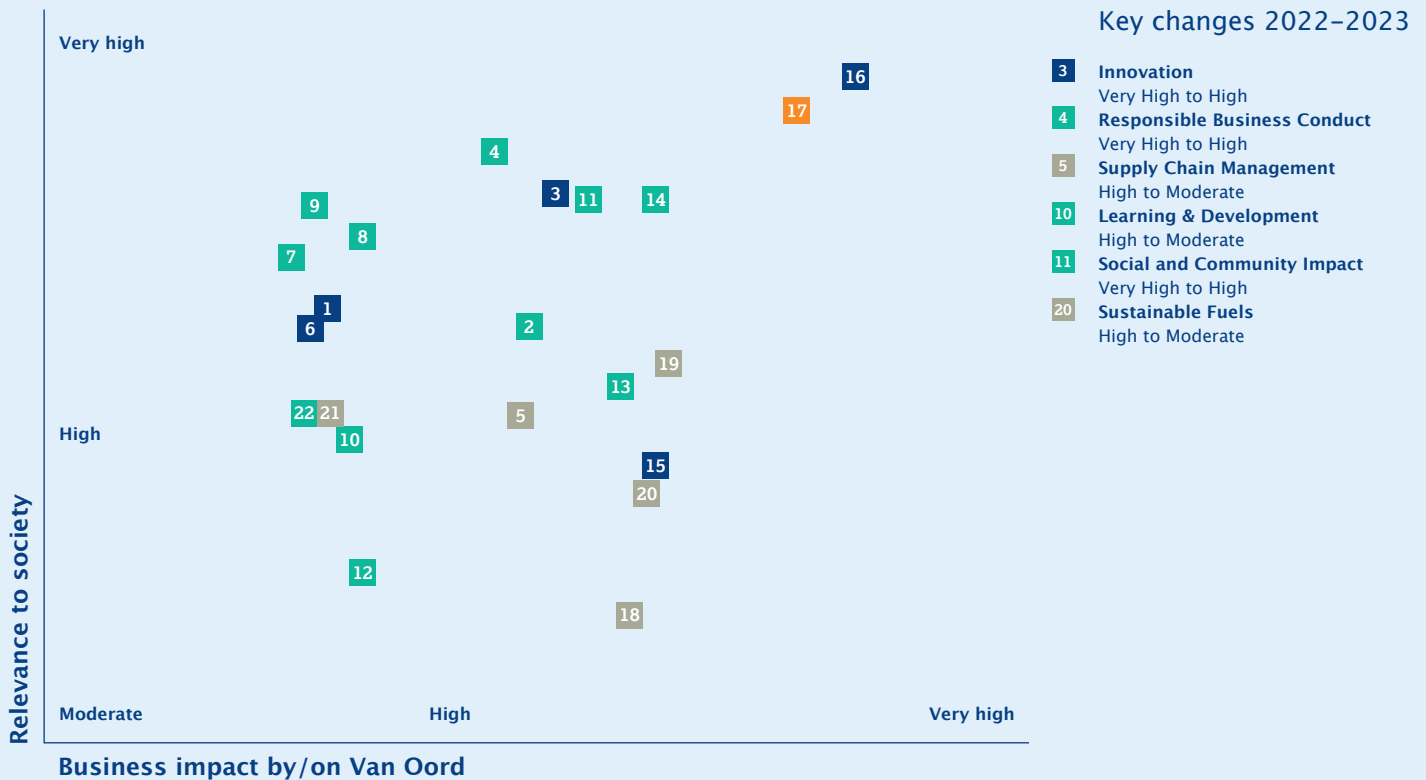
- 2 International Level Playing Field
- 4 Responsible Business Conduct
- 7 Diversity & Inclusiveness
- 8 Health
- 9 Human Rights
- 10 Learning & Development
- 11 Social and Community Impact
- 12 Mobility
- 13 Safety
- 14 Biodiversity & Ecosystems
- 22 Water Use



Achieving net-zero emissions

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

Read more in chapter 2 (Sustainability)



Biodiversity & Ecosystems remained a priority topic. Stakeholders are concerned about the impact of human activity on the environment and biodiversity, and subsequently on the ecosystems on which we rely for food and other essential goods. The EU's Biodiversity Strategy and the recent adoption of the EU's Nature Restoration Law have also raised the profile of these issues. As a result, the topic has the continued attention of our stakeholders.

Van Oord's substantial investments in innovation may explain the topic's slightly lower score in 2023. External stakeholders commented that Van Oord is already heavily focused on innovation. Specifically, stakeholders referred to Van Oord's investments in energy-efficient vessels that can run on biofuel, LNG or methanol. If the expectations of stakeholders with regards to innovation are met, they may be less likely to rate the topic as of very high priority.

In the case of Responsible Business Conduct, which remained stable, the introduction of new legislation such as the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) may have adequately addressed stakeholders' concerns about the topic. The EU has recognised the importance of the subject and imposed new rules for businesses.

The results demonstrate strong alignment between our stakeholder interests, our corporate strategy Building the Future Together and Sustainable Earth Actions (S.E.A.) Programme. Unlike Climate Change Adaptation & Mitigation and Energy Transition – which are strongly linked to our S.E.A. Programme pillar Achieving net-zero emissions – Greenhouse Gas and Air emissions was not explicitly among the priority topics in either 2022 or 2023. It is possible that Van Oord's role as a frontrunner in the decarbonisation of the maritime sector, and stakeholders' confidence that Van Oord is taking sufficient action, is the reason that the topic is not top of mind. We have put the issue on the agenda of our sustainability leadership team and of our external Sustainability Advisory Board to better understand this outcome.

Corporate Sustainability Reporting Directive (CSRD)

Van Oord is preparing for the upcoming CSRD. In 2023, we conducted a gap analysis and shared the results and action plan with the Audit & Risk Committee. As of the financial year 2025, Van Oord will be required to collect and report on sustainability impacts, risks and opportunities in line with the European Sustainability Reporting Standards (ESRS). To comply with the ESRS, we must undertake a double materiality assessment. The outcomes of the assessment will determine our mandatory reporting scope. We will conduct our materiality assessment in accordance with the double materiality concept in the first half of 2024.

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 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).

Delivering long-term value
for our clients, society and
the environment.



Van Oord installed 111 inter-array cables and 3 export cables at the 900 MW Greater Changhua 1 & 2a offshore wind farms in Taiwan.

Value creation model

Input

Business model



People

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

- 5,766 employees, 84 nationalities
- Trained and highly motivated employees



Knowledge

With over 155 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.

- Vox Innovation for overall innovations
- Van Oord Management System (VOMS)



Global coverage

We operate a versatile fleet to execute 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 1,075 million equity
- EUR 152 million net debt
- EUR 4,429 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. Client intimacy and partnering are key.

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



Natural capital

Our business makes use of natural resources, such as:

- Fuels
- Sand and rock
- Energy
- Steel

Why

Purpose

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

How

Mission

As a global marine contractor with over 155 years of experience, we strive to enhance the energy transition and to deliver climate adaptation and marine infrastructure solutions. We work safely and partner with our clients and stakeholders.

Values

we (create care work together succeed)

Tendering
Engineering
Procurement
▼
Construction
▼
Maintenance

Corporate strategy

We deliver long-term **client and stakeholder value** through our **synergistic portfolio** of marine 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
Infra

▶ **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.

- 6,798 participants in classroom training courses
- 10,101 participants in e-learning training modules
- 0.79 Total Recordable Injury Rate (TRIR)
- 0.16 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 12%. We create cash flow from operational, investment and financing activities.

- 11.4% return on capital employed
- EUR -20 million net cash flow
- EUR 53.7 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 1,657 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. We assess supplier due diligence regarding the use of 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 & communities



Achieving net-zero emissions

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 global marine contractor with over 155 years of experience, **we strive to enhance the energy transition and deliver climate adaptation and marine infrastructure solutions.** As part of our 2030 corporate strategy Building the Future Together, we undertook a repositioning of our business units in 2023. Through the repositioning of the Dredging & Infra and Offshore Energy business units, we have aligned our organisational structure with 2 sizeable growth pillars, our strategy and our purpose-led and value-driven mindset.

Since the introduction of our strategy Building the Future Together, we have consistently succeeded in delivering long-term client and stakeholder value through our synergistic portfolio of marine businesses. This is an accomplishment amidst another volatile year. For Van Oord, the year was marked by impactful events such as the christening of 3 vessels, the first project in the United States, the repositioning, record activity levels and fleet utilisation rate, improved profit margins and the announcement of leadership changes.

Path to profitable growth

In a changing world, we observe positive trends in revenue, margins and award volumes for both our business units. On many levels, 2023 can be considered a record year. As an asset-enabled company, we continuously innovate our fleet for the benefit of our clients and the environment. This year saw the addition of 3 new vessels to our fleet: trailing suction hopper dredgers Vox Apolonia and Vox Alexia and cable-laying vessel Calypso. Next to making substantial investments, we achieved high fleet utilisation rates across all vessel classes and attained a historically high occupancy rate for our cutter suction dredgers. We are also a knowledge-driven organisation. Our growing workforce is truly a cornerstone of our corporate strategy and essential to delivering Marine ingenuity. The acquisition of Delta Marine Consultants Singapore and Delta Marine Consultants Indonesia underlines our commitment to investing in knowledge-driven teams and capabilities.

On our path to profitability, we encounter challenges. In our business, we are continuously exposed to risks and must therefore anticipate and prepare for project setbacks. In 2023, Van Oord resumed the corporate Lessons Learned programme, originally launched in 2021, to consistently derive learnings from both project setbacks and successes.

Besides focusing on the 3 strategic themes The Right People, Sustainability and Digital, we concentrate our efforts on the Founding the Future and Vox Innovation programmes. These 2 corporate enablers are instrumental to achieving our strategic objectives. The Founding the Future programme was developed to build the foundation for improved data management. It focuses on supporting the business in managing projects from the tender to the realisation phase, enabling us to remain in control over our projects and continuously learn and improve. In addition, Vox Innovation enables us to achieve impactful innovations for Van Oord by identifying, coordinating and informing about novel initiatives.

Delivering climate adaptation and marine infrastructure solutions

Through the new Dredging & Infra business unit, Van Oord delivers integrated climate adaptation and marine infrastructure solutions. With the acquisition of Delta Marine Consultants DMC Singapore and Delta Marine Consultants Indonesia, we have taken the first step in contributing to Singapore's ambitious climate adaptation agenda, which includes plans to adapt to sea level rise and improve flood resilience. We continued to advance our strategy Building the Future Together in 2023, which is demonstrated by improved project performance and outstanding fleet utilisation rate. We also benefited from the reactivation of trailing suction hopper dredgers Vox Maxima and Volvox Terranova following many years of being idle. We proudly highlight the successful completion of the dyke reinforcement measures along the 32-kilometre-long Afsluitdijk, on both the Wadden Sea and IJsselmeer side. We applied 75,000 innovative Level-blocs developed specifically for the Afsluitdijk, which significantly reduce concrete usage and greenhouse gas emissions compared to traditional revetments. In addition to these



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 client and stakeholder value** through our synergistic portfolio of marine businesses.

Strategic themes

We are an **asset-enabled, knowledge-driven and high-performance organisation** with focus on:



The Right People



Sustainability



Digital

Business unit strategies

We strengthen our **synergistic portfolio** of leading marine businesses and strive to be the **partner of choice** through client intimacy, product leadership and operational excellence.

We support our clients throughout the asset lifecycle with **integrated, innovative, and sustainable solutions**.



Dredging & Infra



Offshore Energy

Enabled by Founding the Future and Vox Innovation

successes, we experienced challenges. We continued to face uncertainties linked to the ongoing nitrogen crisis in the Netherlands, the limited number of multidisciplinary dredging and infra projects on the market as well as the limited recovery of our dredging activities in East Asia since the end of the COVID-19 pandemic. We remain focused on recovering our market share within the global dredging market, expanding into new adjacent markets and developing new business concepts.

Enhancing the energy transition

As a result of the repositioning, Van Oord's Offshore Energy business unit now serves the entire energy market. Driven by our ambition to enhance the energy transition, we actively explore new markets and growth opportunities to gradually shift our portfolio's centre of gravity to offshore (renewable) energy activities. We are committed to providing solutions for the offshore energy sector in order to safeguard access to reliable, sustainable and affordable energy. In 2023, we completed the installation of jacket foundations for the Saint-Brieuc offshore wind project in France, which was highly complex. The persistent challenges in the energy market related to the shortage of installation capacity continue to impact the industry, resulting in a favourable shift from a buyer's to a seller's market. Even though contractors are in a better position and the global offshore wind market is rapidly growing, we still face project delays and cancellations. Reflecting on the performance of our Offshore Energy business unit, 2023 saw the stabilisation of tender volumes, strong revenue growth and remarkable award volumes. We are proud of our expanding global contributions to the energy transition, which includes the South Fork turbine installation project, our first in the United States. At the same time, 2023 saw a growing demand for renewable energy infrastructure in Japan and the continuation of our activities in Taiwan, where Oord is carrying out cable installation activities for the development of offshore wind farms.

We reflect on a successful 2023, a year during which we witnessed proof points that our strategy will lead us to create a better world for future generations by delivering Marine ingenuity.





We strive to enhance the energy transition and deliver climate adaptation and marine infrastructure solutions.

The Right People



Van Oord's people strategy **The Right People** supports our journey towards becoming a high-performance organisation. In 2023, a balance was found between managing the growth of our organisation and progressing on that journey. By focusing on psychological safety and creating opportunities for continuous development, we aim to create a positive environment for employees to thrive.

The Right People strategy is an essential part of our corporate strategy Building the Future Together. Van Oord is building a high-performance organisation that is people focused, collaborative, agile, client oriented and performance driven. To that end, we need the right people: people who are motivated to create a better world by working together, who are able to adapt to change, and who pursue innovative partnerships to remain a leader in our markets. Our people strategy translates this vision into concrete initiatives that move our organisation forward. We have developed the strategy with all employees in mind: our crew, project and office staff and contingent workers that make up our global workforce.

The HR strategy is based on 4 building blocks:

- 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.
- Leadership and culture. We work together to create a culture that is inspiring, adaptive, open and results oriented. We celebrate our successes and derive learnings from our failures to continuously improve ourselves. We foster an inclusive culture in which we embrace diversity and different perspectives, care for each other and dare to make hard decisions.
- Attractive employee experience. We are able to attract, develop and retain top talent who lead us to exceed the expectations of our clients and plan for our future. We empower our employees and support their continuous development and career growth.
- HR operational excellence. We continuously improve our capabilities, systems, processes and data and analytics, which are fundamental to achieving our strategy.

We have a multi-year roadmap in place to achieve our 2025 HR strategy. Each year, we review and adjust our roadmap based on new insights and learnings, including insights from the Organisational Health Index (OHI), the employee engagement survey.

A year of growth and change

Van Oord experienced a substantial increase in projects and revenue in 2023. Our workforce grew by 10% to accommodate our company's high level of activity around the globe. We spent significant time and attention on hiring and onboarding, as well as developing and promoting in order to ensure we have the right people in the right roles. In addition, we helped facilitate the strategic repositioning of our organisation around the 2 biggest growth pillars for Van Oord: the energy transition and climate adaptation. The transition from 4 to 2 business units demanded significant flexibility from our workforce.

To advance our The Right People strategy, we invest in leadership, culture and our employee experience. In 2023, we continued to foster secure base leadership, which is centred around promoting psychological safety, to create an environment where employees feel safe to speak freely without fear of retribution or humiliation, feel comfortable and supported to make difficult decisions, and feel valued for their contributions. We consider our Van Oord Behaviours and high-performance leadership principles the foundation for a high-performance organisation.

Leaders help shape the work environment and play a direct role in empowering colleagues to pursue professional and personal development opportunities. That is why we aim to equip leaders with the skills to facilitate the development and growth of their teams. By 2023, more than 150 members of Van Oord's leadership team had participated in the high-performance leadership training through the International Institute for Management Development (IMD). Among other things, the IMD programme teaches leaders how to balance caring for their team with encouraging them to dare to take a risk and fulfil their potential. In 2023, we focused on extending secure base leadership to all leaders, supported by our Catalyst and Leading @ Van Oord programmes. We developed various communication and training materials based on secure base leadership principles, which leaders can use to improve their teams' performance.

More than 50 people have participated in Catalyst, which is our mid-career talent & development programme. In 2023, 24 early-career talents participated in the newly-designed IMPACT traineeship. The IMPACT traineeship is the successor to our long-standing Van Oord traineeship. In addition, we expanded our offering of development opportunities. In 2023, we offered the following specialised programmes: Commercial Excellence, Safety Leadership, Project Management Curriculum, Works Manager Curriculum and Engineering Manager Curriculum. Employees participated in 260 different courses offered by the Van Oord Academy, and 6,798 employees participated in classroom training courses to further develop their skillsets.

Organisational Health Index (OHI)

The OHI measures our organisational health and enables us to monitor our progress towards our strategy. 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.

In 2023, the OHI survey showed that topics of attention include internal communication, and growth and development. Topics of pride include Van Oord as an employer, the work environment and our company's vision and goals. The survey also suggests that we are on the right track with regards to psychological safety, but also that the feelings of our employees towards psychological safety in the workplace vary based on employee characteristics.

The OHI also aggregates employee responses into an employee Net Promotor Score (eNPS), which measures the extent to which employees positively promote Van Oord as an employer to others. In 2023, we saw a decline in our eNPS from 22.9 to 16. We are conducting a comprehensive review of the OHI results to determine the underlying reasons for this decline. We will work with the leadership teams, business units and departments to act on these insights and continually improve.

Employees

Van Oord has more than 5,700 employees (in FTE) worldwide. In 2023, we added approximately 500 new employees (in FTE) to our workforce in order to support our growth. We were successful in attracting new and more diverse talent. International employees now represent 40% of our workforce, up from 38% in 2022. The percentage of women in the workforce increased from 15% to 18%.

The Lost Time Injury Frequency Rate remained relatively stable at 0.16 (2022: 0.15). The Total Recordable Injury Rate (TRIR) increased to 0.79 (2022: 0.51). Fortunately, the severity of these personal injuries was relatively low. The sick leave rate rose to 4.7% (2022: 4.2%), which is below the average sick leave rate in the Netherlands but still higher than we want it to be. We continue to take a holistic approach to well-being. We are taking steps to raise awareness of mental health in the workplace. In previous years, we have also increased the number of confidential counsellors in our organisation, who are trained to listen and provide assistance to employees who experience undesirable behaviour in the workplace.

Diversity at Van Oord

The company endorses a balanced distribution of seats within the Executive Committee, the Supervisory Board and top management of the company. Diversity and representation remain important goals and are seen as key drivers of success. Van Oord has the ambition to increase the representation of women within the Executive Committee, the Supervisory Board and top management from 11% in 2022 to 25% in 2030. In addition, we aim to increase nationality diversity within top management. In 2023, the percentage of women in top management remained relatively stable at 10%. The percentage of international employees in management positions increased by 2 percentage points to 27%. The representation of international employees in top management increased by 2 percentage points to 6%.

Outlook

We will continue to execute our The Right People strategy along our 4 building blocks. Our focus will remain on helping employees fulfil their full potential. We want to enable our leaders to demonstrate leadership by modelling our Van Oord behaviours: the behaviours that are characteristic of a high-performance organisation. To contribute to an attractive employee experience and to attract and retain top talent, we will further expand and improve our offer of personal and professional development opportunities. Finally, we will take further steps to become a more diverse and more international organisation by creating a secure base and optimising our ability to employ people globally. With every step we take, we prioritise our people, guiding colleagues on our journey to a high-performance organisation.

People



Employees at Van Oord in FTE

5,766
2022: 5,243



Nationalities employed by Van Oord

84
2022: 89



Sick leave rate
Sickness absence as % of employees on the Dutch payroll

4.7%
2022: 4.2%



Male

82%
2022: 85%



Female

18%
2022: 15%



% of women in top management positions

10%
Target 2030: 25%



% of internationals in top management roles

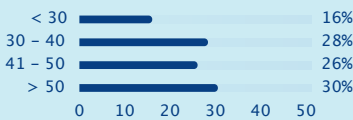
6%
2022: 4%



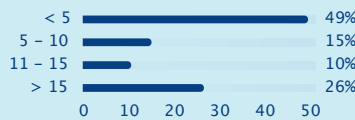
Employee Net Promotor Score (eNPS)

16
2022: 22.9

Average age of 4,232 employees (headcount) on the Van Oord payroll worldwide



Average number of years of service of 4,232 employees (headcount) on the Van Oord payroll worldwide



Total Recordable Injury Rate (TRIR)

0.79
2022: 0.51

Lost Time Injury Frequency Rate (LTIFR)

0.16
2022: 0.15



Training courses

Participants in e-learning training modules

10,101
2022: 6,953

Participants in classroom training courses

6,798
2022: 5,047



Safety

2,731
2022: 1,416

Professional development

3,242
2022: 3,225

Management & leadership

825
2022: 406

Trainees in Van Oord's traineeship

41
2022: 40

Sustainability



Van Oord relocated 73,000 colonies of coral to a safe place in Addu City, Maldives. The biggest amount of coral ever replaced in the area.

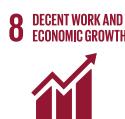
The Sustainable Earth Actions (S.E.A.) programme was well underway in 2023. We made progress along each of the 4 pillars of our sustainability strategy by executing impactful projects, expanding our sustainable business portfolio and establishing industry partnerships. The development of a 3-year plan provides the necessary focus and outlook to maximise our impact.

Van Oord is integrating sustainability into its business strategy and organisational structure. The Sustainable Earth Actions (S.E.A.) Programme helps us achieve our corporate sustainability strategy by providing a framework for strategic decision-making and reporting, communication and events, knowledge building, stakeholder management and projects. The 4 sustainability pillars are connected to Van Oord’s purpose and the material topics as assessed annually with our key stakeholders.

The organisational structure of Van Oord and the repositioning from 4 to 2 business units supports our sustainability objectives. The new Dredging & Infra business unit is uniquely suited to deliver large-scale climate adaptation projects, while the solutions of the Offshore Energy business unit play a crucial role in facilitating and accelerating the energy transition.

In 2023, we made meaningful progress towards our goal of delivering positive impact through our existing business and developing new sustainable business. We continued to move key initiatives such as Ocean Health and Building with Nature forward, strengthened existing relationships and established new industry partnerships, and executed impactful projects. In addition, we developed a 3-year plan for the programme that sets out our direction, articulates our priorities and describes how we plan to maximise our impact. We finalised a preliminary set of KPIs and established a baseline for each of the 4 pillars in order to track our progress and prepare for the reporting requirements of the upcoming Corporate Sustainability Reporting Directive (CSRD).

Realising our purpose via 4 sustainability pillars



Events and stakeholder engagement

We work closely with internal and external stakeholders to move our sustainability agenda forward. As an industry frontrunner, we share our knowledge, represent the private sector at global conferences and seek out partnerships with likeminded organisations. In March 2023, Van Oord participated in the UN Water Conference. In the run-up to the event, the Van Oord team served as a sounding board for the organisers. We also represented the private sector in several sessions on nature-based solutions and climate adaptation solutions.

We organised our first Sustainability week known as Festival at S.E.A. in 2023. The programme featured talks by internal and external speakers, workshops and panel discussions. We also held our annual Supply Chain Event for our supply chain partners during Festival at S.E.A. The goal of the festival is to engage, inspire and involve our colleagues and stakeholders in our sustainability efforts.

We also actively invite input and advice from both internal and external stakeholders. The S.E.A. the Future team is a community of young employees who want to contribute to our sustainability journey. They are ambassadors for the S.E.A. Programme and represent the interests of young people in our organisation. In 2023, they introduced the S.E.A. the Future Impact Award. The award recognises and provides support for the best idea to advance Van Oord's sustainability strategy.

COP28

Van Oord joined the COP for the third consecutive year. At the 28th Conference of Parties (COP28) of the United Nations Framework Convention on Climate Change (UNFCCC) in Dubai, UAE, we shared our expertise and solutions linked to climate adaptation, biodiversity enhancement and the energy transition. COP28 presented a valuable opportunity to share our sustainability portfolio, offer tangible solutions to climate challenges and explore opportunities and partnerships that allow us to scale those solutions.

The Sustainability Advisory Board provides advice to the Executive Committee on our corporate sustainability strategy and S.E.A. Programme. The board is composed of external and independent experts and acts as a sounding board for our organisation. The members bring diverse skills and expertise and provide an outside-in perspective that helps us to better align our strategy and priorities with the expectations of our stakeholders. In 2023, we held meetings with the Sustainability Advisory Board on the progress of business initiatives related to Ocean Health and climate adaptation, large-scale nature development and renewable energy generation on the IJsselmeer, ESG dilemmas including the role of fossil fuels in the energy mix, and the 3-year sustainability programme and actions required to achieve our targets.

Enhancing the energy transition

Van Oord is committed to enhancing the energy transition while adding both social and ecological value. The Offshore Energy business unit has been making substantial contributions to the energy transition for more than 20 years. The business unit's offshore wind solutions are vital to meeting government targets for accelerating the construction of renewable energy infrastructure. In 2023, Van Oord was involved in installing 1,731 MW of offshore wind capacity, for a total cumulative capacity of 18,254 MW. In addition, we continue to pursue opportunities in floating renewables, including floating wind, which remains an area of interest despite supply chain and permitting challenges.

The energy dilemma

Van Oord plays a vital role in the energy transition. The Offshore Energy business unit's offshore wind activities are the most visible contributors to the energy transition. The business unit also increasingly serves the renewable energy sector with coastal energy infrastructure and subsea rock installation activities. We have nevertheless made the conscious decision to continue our activities for the traditional energy sector in the coming years. At this time, oil and gas remain critical components of the global energy mix. Gas in particular is seen by energy experts as a transition fuel. Around the world, countries rely on oil and gas to meet the energy demand. In order to ensure the reliable and affordable access to energy, we will continue to build the necessary infrastructure. Over time, the centre of gravity of global energy demand will shift to renewable energy. We are eager to work towards a fossil-free future, and we are investigating various scenarios to accelerate the transition and our ongoing role in it.



We develop methods
and solutions to conserve
and restore the marine
environment.

We aim to grow our business in the Renewable Energy Infrastructure (REI) market. Led by the business unit Offshore Energy, we are actively pursuing opportunities related to Carbon Capture and Storage (CCS) and Sea Water Air Cooling (SWAC).

Hollandse Kust West

The bid for the development of the Hollandse Kust West offshore wind farm, which promoted a broad range of eco-friendly solutions, was successful. Ecowende awarded Van Oord the contract due to our strong track record in sustainability and nature-inclusive design. Hollandse Kust West will play a meaningful role in the Dutch energy transition and will positively impact biodiversity in the North Sea. We will construct the offshore wind farm in harmony with nature by implementing solutions to protect the underwater ecosystem and enhance marine life. These include innovative piling techniques to mitigate the impact of underwater noise on porpoises and seals, technological measures to reduce collision risks for birds and bats, eco-friendly scour protection and the installation of oyster broodstock and vertical mussel reefs to kickstart self-sustaining shellfish reefs.

Accelerating climate actions

The Dredging & Infra business unit provides climate adaptation solutions to coastal communities and ecosystems most impacted by climate change, including densely populated areas in delta regions and communities in low-lying areas. We help protect these communities, and we do so in the most environmentally friendly way possible through Building with Nature. In 2023, Van Oord worked on coastline protection and dyke improvement and reached a total cumulative length of coastline protection of 545.7 kilometres. We employed Building with Nature solutions in several of these projects.

Van Oord is one of the founding partners of the EcoShape consortium and a participant in the Building with Nature III programme 2023–2027. The programme is focused on further developing Building with Nature solutions through a combination of research, pilot projects, outreach and real-scale capacity building. In 2023, the NL2120 consortium appointed EcoShape as programme manager for the NL2120 knowledge and innovation programme. This programme is funded by the National Growth Fund (Nationaal Groeifonds). NL2120 brings together government agencies, nature conservation organisations, private companies and academic and professional institutions to collaborate on nature-based solutions.

Maldives

The Addu Development Project was completed in 2023. The project combined coastal protection with the addition of

climate-resilient land to accommodate housing as well as eco resorts. The Maldives is among a growing number of countries that fund climate adaptation projects by incorporating activities that can help drive economic growth, including tourism. As part of our Environmental, Social and Governance Due Diligence (ESG DD) process, we assessed the potential impacts of the project on the population and marine life and implemented various risk mitigation measures. These included the relocation of over 73,000 coral colonies, the enclosing of the reclamation area, monitoring near the reclamations to control sedimentation and turbidity, and the use of nature-based solutions.

Constanta Beaches

In Romania, the Dredging & Infra business unit completed the Constanta Beaches Phase 2 project, which involved the design and construction of new groynes and beaches to reinforce the coastline. We employed a wide range of environmentally friendly and nature-inclusive methods, including the rehabilitation of seagrass. Seagrass captures and stores carbon from the atmosphere, helps prevent coastal erosion by stabilising the sediment and enhances the marine ecosystem. Our strong performance was rewarded with the contract for the Constanta Beaches Phase 3 project.

Buitendijks Plan 2.0

Groenleven and Van Oord are working together to develop Buitendijks Plan with ENGIE as strategic partner. Buitendijks Plan has the potential to deliver a significant contribution to the renewable energy strategy of Noord-Holland Noord, enhance the underwater ecosystem of the IJsselmeer and promote recreation and economic growth. The project will involve the creation of environmentally and nature-friendly atolls and floating solar energy systems. In 2023, we submitted Buitendijks Plan 2.0 under the National Coordination Scheme (rijkscoördinatieregeling or RCR) to the Ministry of Economic Affairs and Climate Policy. We also refined and enhanced a viable business model. We are currently preparing to formalise agreements, including the agreement between Van Oord and Groenleven, and expect to engage in conversations with potential investment partners to join our effort in the near future.

Empowering nature & 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 Van Oord projects is to have a positive impact.

Our goal is to maximise our positive impacts by promoting socioeconomic development and enhancing biodiversity and to minimise our potential negative impacts by following our Environmental, Social and Governance Due Diligence (ESG DD) process and implementing risk mitigation strategies. The ESG DD process is designed to flag projects that present risks to the environment and communities during the tender phase. This is done by subjecting all tenders to a First Assessment. Tenders with at least 1 affirmative response to any of the First Assessment's 3 questions on environmental and social topics, must undergo a Standard Assessment and an Enhanced Assessment if necessary. Multidisciplinary ESG working groups are installed for projects with significant ESG risks.

In 2023, 100% of tenders followed the ESG DD process and of the 16 active ESG working groups, 11 were still active at the end of the year.

These working groups are tasked with risk management and mitigation. In the case of the Addu Development Project in the Maldives, the working group introduced additional mitigation measures beyond what was required by the client in order to protect the marine ecosystem. We also communicate transparently about environmental incidents. There were 0 spills with significant impact reported in 2023.

As part of our due diligence framework, we completed the ISO 26000 Guidance on Social Responsibility self-declaration. The self-declaration describes our implementation of the principles and guidance of NEN-ISO ISO 26000:2010 into our Van Oord Management System. The document and supplemental documentation provide a comprehensive overview of our approach to corporate social responsibility.

Ocean Health

To maximise our positive impact, we aim to develop new sustainable business activities. Van Oord's Ocean Health initiative focuses on building meaningful partnerships and scalable business models that contribute to the preservation, restoration and creation of marine ecosystems. Over the years, we have gained extensive experience and developed expertise and capabilities around mangrove, coral, shellfish and seaweed ecosystems. In 2023, we executed several studies and pilots for all Ocean Health ecosystems, and we were actively pursuing business opportunities.

As a member of the North Sea Farmers consortium, we contribute to the ongoing development of the world's first seaweed farm embedded in an offshore wind farm, known as North Sea Farm 1. In addition, we were awarded a grant through Amazon's Right Now Climate Fund that will enable

research on the carbon absorption potential of seaweed farms beginning in 2024.

In the Same Boat

In partnership with the NGO In The Same Boat, Van Oord sponsored and participated in an Ocean Health campaign involving the cleanup of marine litter on the Norwegian coast, where Van Oord has been active for many years. We also invited the NGO to take part in the new sustainability module of the Catalyst leadership development programme, which aims to equip leaders with essential skills for delivering a positive impact and inspires them to take action.

Achieving net-zero emissions

Van Oord is committed to achieving net-zero emissions by 2050 and reducing emissions in line with the 1.5-degree threshold. In 2023, we made our commitment to the Science-Based Targets initiative (SBTi) 1.5-degree pathway more concrete by submitting specific targets to SBTi. The outcome of the application is expected in 2024. We also continued to map our scope 1, 2 and 3 emissions in order to improve our data model and support effective decision-making.

Roadmap

The net-zero emissions working group developed a roadmap that outlines our short-term, mid-term and long-term measures for reducing our greenhouse gas emissions. In the short term, we aim to maximise our use of biofuel. We achieve this by exclusively using biofuels to operate our newest generation trailing suction hopper dredgers, cable-laying vessels and offshore installation vessels. The relatively high price of biofuel compared to standard marine fuel has slowed its adoption. This is an industry-wide dilemma that requires a collaborative solution. To this end, Van Oord developed and announced the introduction of a Green Fuel Fund. The Fund will provide operational and financial support to accelerate biofuel adoption. Van Oord aims to establish partnerships with clients, fuel suppliers, regulators and stakeholders to fund and implement projects that have a significant impact on the decarbonisation of our industry.

As part of our mid-term plan, we are assessing our existing fleet and determining the right modifications for optimising energy efficiency and reducing greenhouse gas emissions. We are focusing on vessels that have the biggest impact on our emissions. We aim to complete our assessment, reduction plan and investment proposal within 2024. To manage this process, we have developed 3 dedicated work streams focused on Technology, Energy, and Governance and behaviour. Our long-term plan for reducing our emissions is to exclusively



WattHub: the world's first fast-charging plaza for lorries and heavy construction equipment.

invest in vessels equipped with dual-fuel engines, battery packs and advanced energy management systems that lower energy consumption such as heat recovery systems. Our dual-fuel engines are able to run on standard marine fuel as well as the fuels of the future (e.g., methanol, LNG or ammonia). In 2023, we commissioned the last of 3 LNG-powered trailing suction hopper dredgers and the hybrid and energy-efficient cable-laying vessel Calypso, which is equipped with battery assistance power. The construction of Boreas, our first dual-fuel methanol offshore installation vessel, is ongoing. Each of these investments contribute to our net-zero emissions strategy.

WattHub

In addition to upgrading and investing in new vessels, we are investing in the electrification of our land-based equipment and construction sites. Van Oord is a member of the Mekante Diek consortium which is executing the Tiel-Waardenburg dyke reinforcement project with a zero emissions target. This required the development of a new charging facility for high-capacity battery packs that power heavy electric construction equipment. The charging facility named WattHub opened in September 2023. The facility is powered by renewable solar and wind energy. WattHub is accessible to Van Oord and its partners as well as other users in the region.

Carbon Disclosure Project (CDP)

As a participant in the Carbon Disclosure Project (CDP), we disclose our climate ambitions and greenhouse gas emissions. Van Oord scored an Overall CDP Climate Change Score of A- (2022: C). Since 2022, we have extended our emissions assessment to include our supply chain as well. In 2023, we took the next step by inviting our 200+ suppliers to join us in registering on the CDP platform to disclose their emissions and share their reduction initiatives. Our efforts to involve our suppliers make us a leading participant in the CDP, which has earned us a supplier engagement rating of A- (2022: B). In September 2023, we hosted our third Sustainable Supply Chain event during the Festival at S.E.A. In 2023, we collected data from 1,657 suppliers, representing approximately 63% of the external total spent. Of the 1,657 suppliers, 172 have a risk profile that is higher in terms of business impact and complexity of products and service.

Emissions

Developing our roadmap revealed that achieving emission reduction in line with our target in the short term poses challenges, and we anticipate not achieving our targeted reduction for the next 2 to 3 years. During that time, we will work to address key challenges. These include sourcing alternative fuels at the right price and in various parts of the

world, adapting our fleet to be able to bunker these fuels, and lowering the financial barrier to adopting these fuels through mechanisms like the Green Fuel Fund.

As a result of these challenges, high fleet occupancy and a substantial increase in revenue, our absolute emissions (scope 1, 2 and 3 combined) increased. Relative emissions (scope 1 tCO₂e/EUR million revenue) decreased due to changes in the structure of our revenue with a larger share linked to procured products and services. The increase however was less than forecasted due to ongoing improvements in the energy efficiency of our fleet.

Our biofuel use decreased due to a larger uptake in LNG by our 3 new trailing suction hopper dredgers, specifically related to the business case of different fuel types for projects within the Netherlands. Biofuels represented 1.1% of our total fuel consumption, compared to 4.3% in 2022.

Major steps have been taken to expand the coverage of our upstream scope 3 emissions from 2 to 6 categories. Importantly, these now include emissions linked to purchased goods and services for both commercial projects and vessel building (e.g.: steel monopile foundations and cables for offshore wind projects; and steel for hulls of the new vessels delivered in 2023).

Outlook

We have a comprehensive and well-prioritised 3-year plan in place to move the needle on each of our 4 sustainability pillars, as well as a clear vision for our future. In addition, our committed leadership team consists of representatives from all levels of the business to support us in achieving our ambitions. Van Oord, like many of its industry partners, will be subject to the CSRD as of 2025. The CSRD requires us to report according to the European Sustainability Reporting Standards (ESRS). We are preparing for compliance with the CSRD, which we choose to treat as a vehicle for empowering our activities. In the process of improving our governance structure in preparation for the new legislation, we engage extensively with our internal and external stakeholders, enabling us to further embed sustainability in our organisation. In addition, we will release an updated version of our Sustainability Policy, with the new release of an Environmental & Social Policy, and an Emission Reduction & Energy Policy. In the year ahead, we expect to make progress towards our strategic objectives by launching our Green Fuel Fund, pursuing opportunities in new sustainable business activities such as Climate Adaptation and Ocean Health, and making steps in the reduction of our greenhouse gas emissions.



Planet



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

602.6
2022: 475.3



Spills with significant environmental impact

0
2022: 0



Total cumulative renewable energy capacity

18,254 MW
2022: 16,523 MW

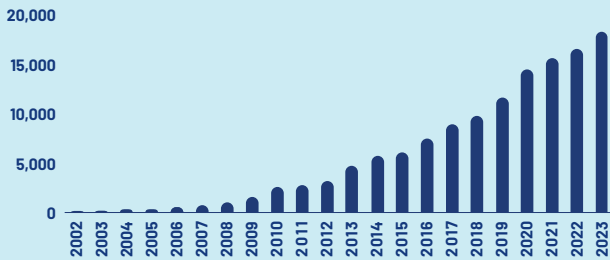


Total installed renewable energy capacity

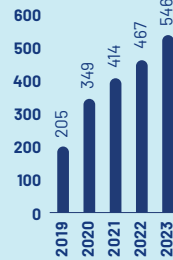
1,731 MW
2022: 930 MW

Sustainability performance

Cumulative involvement in offshore wind capacity installed (in MW)



Cumulative length coastline protected (in km)



Total cumulative coastline protected (in km)

546
2022: 467

* In 2023 Van Oord updated the ESG DD KPI calculation method (Number of tenders following ESG due diligence) due to improved internal data handling and a more accurate representation of actively pursued tenders following a management decision in the Stage Gate process. The KPI now includes tenders in the Stage Gates; Select, Submit, Negotiate, Handover, and Prepare. The 2022 figures could not be restated due to a change in the data system.

** The Number of suppliers assessed by Van Oord on Environmental and Corporate Governance risks reflects the total cumulative count of suppliers evaluated since the initiation of our supplier qualification process (2019).



Due Diligence (tenders)*

321
2022: 505

Which equates to 100% of tenders that undertook Environmental, Social and Governance first assessment



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

1,657
2022: 1,537

Greenhouse gas emissions

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

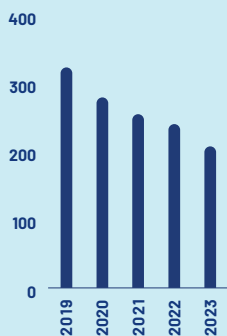


Scope 1 emissions are direct greenhouse gas emissions linked to the operation of owned equipment as well as minor sources such as leased vehicles and space heating in buildings. The operation of owned marine equipment makes up the bulk (>95%) of scope 1 emissions.

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 upstream value chain emissions such as those related to purchased goods and services and the production, refining and delivery of fuels used in owned equipment. In this report, categories 1, 2, 3, 4, 6 and 7 of scope 3 are included following from a basic value chain analysis covering applicability, the relative significance and the level of influence Van Oord holds over each category's emissions. For more information, see the Energy and emissions performance chapter.

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



Scope 1 tonnes CO₂e per million euro revenue



Share of renewable bio fuels

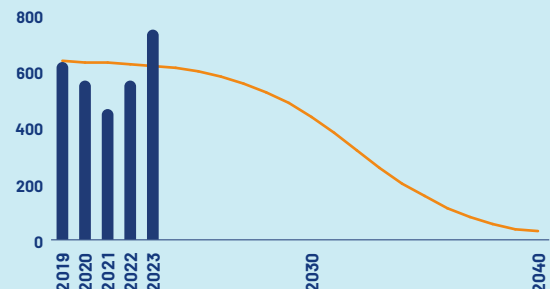
1.1%
2022: 4.3%



Share of renewable electricity

65.7%
2022: 69.4%

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



■ Kilotonnes of CO₂e emissions
— Indicative 1.5 °C target trajectory based on SBTi maritime guidance

Digital



Data and digitalisation are key to providing exceptional client experiences, achieving operational excellence and developing new business models to drive growth. Our digital strategy focuses on optimising our current way of working and transforming how we will work with our clients and stakeholders in the future. Our progress in 2023 will enable us to take the next step in delivering business value through digital.

We continue to integrate digital technology into every aspect of our business to optimise our way of working and to develop capabilities for creating new business models. In 2023, we were well on our way to building the foundation we need to optimise our use of data and digital tools. We also made the strategic decision to implement an enterprise resource planning (ERP) solution for our finance, procurement, project and asset management processes. At the same time, we are meeting the growing demand for business intelligence solutions throughout the organisation.

Van Oord's digital strategy is based on 4 enablers:

1. **Data foundation:** make the right data available to the right people at the right time, enabling timely and improved decision-making while providing new and data-driven insights.
2. **People and culture:** involve colleagues, clients and stakeholders in the adoption and integration of digital technologies and shape a digital culture through training, leadership and collaboration.
3. **Enabling technology:** ensure that the systems and infrastructure required to support digital initiatives are in place, that they are secure and reliable, and that they can be scaled or adapted based on evolving needs and requirements.
4. **Security:** protect personal and other sensitive data such as financial data, confidential business information and critical infrastructure and assets from unauthorised access, theft and damage.

These enablers support both digital business optimisation and transformation. Digital business optimisation focuses on our current way of working, from increasing productivity and reducing cost to improving the employee and client experience, while digital business transformation involves the introduction of new digital products or services as well as new digital business models.

Founding the Future

The 4 enablers of Van Oord's digital strategy are also enablers of Founding the Future, our largest transformation programme to date. The objective of the programme is to improve operational performance, with a focus on realigning our cost engineering and project control processes. This requires technology solutions, quality data, behavioural change and a strong focus on information security. In 2023, we selected an ERP solution, a key element of the Founding the Future programme. The ERP system will enable standardisation of global processes across our operations. It enables the realignment of our cost engineering and the further enhancement of our project control processes across our organisation. We are at the start of the ERP implementation.

Data foundation

We made tangible progress in establishing our data foundation and increasing Van Oord's data maturity. The modular data platform provides easy access to information, facilitates valuable insights and is completely scalable. We also introduced tools that leverage Artificial Intelligence (AI) to generate and maintain reports. Our data academy supports colleagues in using these tools and maximising the value of data. In addition, we have established a data governance framework to improve data handling, management and ownership. This is essential for the roll-out of our self-service Business intelligence (BI) capabilities, which will enable employees across the organisation to access the data they need to make informed decisions.

People and culture

To support the organisation, we continue to focus on developing a digital mindset and culture, characterised by a set of behaviours, values and skills for delivering business value through digital technologies. In addition, we keep supporting colleagues throughout the organisation in the creation of strategic and value-adding digital products.

In 2023, we worked closely with the business units to define their digital landscape: a set of digital products connected to the business units' strategies. The digital landscape maps existing digital products to key phases of the project life cycle, such as acquisition, tendering and execution, and reveals opportunities for developing new digital products. These products add client value by, for example, offering clients real-time insights into project progress and improving project performance through enhanced planning and risk management. Next to tooling, we worked with the business units to define and develop the behaviours necessary to use digital products to their full potential.

Pilots and products

We expanded the application Currently, which helps track the progress of Van Oord's Offshore Wind projects, in collaboration with our Offshore Energy business unit. The addition of the Emission Optimiser module helps commercial and project teams engage in conversations with clients about reducing emissions during project execution. The Emission Optimiser has a direct link to Van Oord's sustainability strategy and supports our organisation and our clients in achieving their sustainability ambitions.

In collaboration with the Dredging & Infra business unit, we introduced the MyCommodity application. MyCommodity provides insights into commodity flows and positions and improves strategic decision-making during the tender and project planning phase.

Enabling technology

We focus on 4 services in order to support our digital initiatives:

- Connectivity services: our projects and businesses run on our global network, which connects our vessels, (project) offices and data centres.
- Vessel IT services: specialised IT products, services and support onboard our vessels enable our fleet to work more efficiently and effectively.
- Enabling platform services: the (cloud) environment on which our digital products (dashboards, reporting, applications and workflows) rely.
- Application hosting services: a cloud-based application landscape facilitates reliable business applications and supports modernisation.



Security

In today's interconnected business environment, the importance of information security cannot be overstated. Van Oord applies best practices to information security and data privacy. We drive organisational and technical change to continuously improve our defences against threats and maintain a strong governance structure to systematically protect our information and personal data.

In 2022, we completed the ISO 27001 certification programme. The 2023 audit by a third-party certification body confirmed the continued conformance of our information security management system to the ISO 27001 standard. Increasingly, the ISO 27001 certification is a pre-qualification for tenders and contracts. In the coming year, we will also continue preparing for the certification process for the updated ISO 27001:2022 standard.

The regulatory landscape is changing. The upcoming European Network and Information Security directive (NIS2) has major implications for critical sectors and entities, including Van Oord. The NIS2 will come into force in October 2024 and aims to increase the overall level of cybersecurity in the EU by imposing a set of minimum requirements. By meeting the ISO 27001 standard, we are prepared to comply with the NIS2. In addition, new Unified Requirements (UR E26, UR E27) on the cyber resilience of vessels from the International Association of Classification Societies (IACS) are applicable to new vessels contracted for construction on and after 1 July 2024. We appreciate these developments as they ensure better protection for vessels against cyber threats.

We have a roadmap in place to continuously improve our processes. In 2023, we executed a large-scale project to redefine how we assess and manage risks related to information security and data privacy, and determine which controls are most effective for mitigating these risks. Our focus on information security extends to all parts of the organisation and to our fleet. We have introduced an information security risk committee to oversee the risks within Van Oord.

Van Oord's commitment to information security and data privacy extends beyond internal processes and controls. We take a proactive approach to improving the cybersecurity of our supply chain by supporting our partners with advice and by acting as a sounding board. As a frontrunner in our industry, we also work closely with government agencies and the multinational community to raise the bar on cybersecurity.

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.

We organised several events in 2023, including ethical hacking events, tabletop sessions with the emergency response team and video crisis simulations. Other interventions included 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. This ensures that the interventions are relevant to our organisation and that we take into account the latest threats.

All employees are required to complete the Be Secure e-learning programme. The programme was expanded with additional training courses in 2023. The goal of the programme is to educate employees on the do's and don'ts of information security, and to assess how Van Oord can better support departments and business units in adopting a secure way of working.

Outlook

Our continued focus on the 4 digital enablers – Data foundation, People and culture, Enabling technology, and Security – has resulted in a more robust infrastructure, scalable technologies and the availability and reusability of data. 2024 will bring new and improved business intelligence tools, dashboards and data products to support strategic decision-making. Meeting the demands and needs of our organisation today and creating new business opportunities in the future requires our sustained attention to people and culture. Our data academy will support colleagues in the adoption of our new digital way of working. Meanwhile, we will continue to create a digital landscape rooted in our strategy. In doing so, we leverage the power of digital to deliver long-term stakeholder value.

3

Performance

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Financial performance

In 2023, the company experienced a very high level of activity. This was evidenced by many completed and ongoing projects, leading to a record revenue of EUR 2.9 billion. Substantial progress was made on various complex projects and 3 new vessels were christened. Profitability improved and the financial position remains robust.

Van Oord grew its revenue considerably to EUR 2,866 million in 2023 (2022: EUR 2,021 million) and improved its net profit to EUR 127 million (2022: EUR 60 million). The operational results and favourable development of working capital increased the operational cashflow, which was more than sufficient to support the high investment level, pay dividend and decrease net debt to EUR 152 million at year-end 2023 (2022: EUR 178 million). The order book of EUR 4,429 million at year-end 2023 showed a modest increase (2022: EUR 4,300 million) as the award volume slightly exceeded the high level of revenue.

Both the Dredging & Infra and Offshore Energy business units strongly improved their financial performance in terms of revenue and project result in 2023. The Dredging & Infra business unit grew its revenue to EUR 1,442 million (2022: EUR 1,214 million) because of large projects, including Fehmarnbelt in Denmark, Ain Sokhna Port in Egypt and various projects in the Netherlands, Mexico, Romania and the UK. Revenue in 2023 in the Offshore Energy business unit grew sharply to EUR 1,424 million (2022: EUR 807 million), mainly driven by the completion of the Saint-Brieuc and Baltic Eagle offshore wind projects and the ongoing Gas to Energy project in Guyana.

The high level of activity in 2023 is also reflected in the improved occupancy of our fleet. Within the Dredging & Infra business unit, the utilisation of our trailing suction hopper dredgers was relatively stable at 31 weeks (2022: 29 weeks). The utilisation of the cutter suction dredgers more than doubled to 33 weeks (2022: 15 weeks). Fleet utilisation within the Offshore Energy business unit was higher than the previous year, specifically for the flexible fallpipe vessels at 44 weeks (2022: 35 weeks), whilst the utilisation of offshore wind equipment remained stable at 33 weeks (2022: 32 weeks).

Financial position and cash flow

At year-end 2023, the financial position of our company had strengthened compared to 2022. Equity increased to EUR 1,075 million (2022: EUR 985 million) and solvency was stable at 32.5% (2022: 32.4%). During 2023, we secured a EUR 104 million green loan through Export Finance Norway (Eksfin) relating to the construction and delivery of cable-laying vessel Calypso.

The operational cash flow of EUR 381 million (2022: EUR 62 million) was lower than the combination of both the investing cash flow of EUR -317 million (2022: EUR -187 million) and the financing cash flow of EUR -84 million (2022: EUR 143 million), which included EUR -35 million in dividend payout. As a result, net debt decreased to EUR 152 million (2022: EUR 178 million) and remains well within the terms and conditions of our credit facilities.

Order book

The order book at year-end 2023 amounts to EUR 4,429 million (2022: EUR 4,300 million) and includes large, newly awarded projects such as Hollandse Kust West for Ecowende, Baltic Power in the Baltic Sea, Greater Changhua 2 in Taiwan, various lots at Constanta in Romania and equipment charters for NMDC.

Return on capital employed

Driven by the strong improvement of the operational result, the return on capital employed improved to 11.4% (2022: 4.7%) although remains below our target of 12%. Capital employed at year-end 2023 remained fairly stable compared to 2022.

Investments

Van Oord is further strengthening its position as a leader in the industry by investing in new and sustainable equipment. In 2023, we rounded out our fleet of LNG trailing suction hopper dredgers with the commissioning of the Vox Apolonia and Vox Alexia. In addition, we celebrated the arrival of Calypso, our ultramodern and future-proof cable-laying vessel that will play a key role in our efforts to enhance the energy transition.

LNG trailing suction hopper dredgers

We celebrated the christening of our new trailing suction hopper dredgers Vox Apolonia and Vox Alexia in March and September 2023, respectively. Like the Vox Ariane, which was christened in 2022, the vessels are equipped with an LNG fuel system and innovative energy-saving technologies to substantially reduce fuel consumption and emissions. The identical design of the vessels offers synergistic benefits. The training of our crew members to operate the Vox Ariane transfers over to the 2 other vessels and vice versa. This is particularly important given the learning curve of sailing on LNG. In addition, we are able to apply learnings, including productivity and maintenance improvements, from one vessel to another and continuously optimise our technology.

Cable-laying vessel

Cable-laying vessel Calypso was christened in September 2023 after arriving from VARD's Brattvaag shipyard in Norway. By the end of 2023, the Calypso had successfully completed a trial run. The vessel has been equipped with all mission equipment for the installation of inter-array grid and export cables for offshore wind farms. In addition, the vessel is being outfitted with the equipment for the installation of High Voltage Direct Current (HVDC) cables. The Calypso is a hybrid vessel and features fuel-flexible engines for the use of biofuel and future marine fuels, a large battery pack, a high-voltage shore supply connection and a state-of-the-art energy management system. Its energy-efficient systems reduce greenhouse gas and other emissions. An aftertreatment device reduces nitrogen oxides (NO_x) emissions to ultra-low levels (ULNO_x) that are substantially below regulatory requirements.



Water injection dredgers

Van Oord is expanding its fleet of water injection dredgers. In 2023, the construction of water injection dredgers Rijn and Rhône was progressing as planned. The Rijn and Rhône are sister vessels of the Maas and Mersey. The steady level of activity of the Maas and Mersey in diverse environments has provided insights into optimisation opportunities, which have been translated to the design and outfitting of the Rijn and Rhône. The vessels are among the most sustainable water injection dredgers to date and will have the Ultra Low Emission Vessel (ULEV) notation of the classification society. The combination of hybrid energy management systems, heat recovery systems and aftertreatment devices reduce the vessels' energy consumption and emissions of greenhouse gases, nitrogen oxides and particulate matter (CO₂e, NO_x, PM). Innovative technologies such as heave compensation and a dynamic positioning system enable us to automate much of the dredging process. The water injection dredging method is also eco friendly and very energy efficient by moving the dredged sediment away from the areas using the vessel's water jets. The dredged sediment resettles within the same marine environment, yet outside of ports, navigation channels and recreational areas. The Rijn and Rhône will be christened in 2024.

Offshore installation vessel

The construction of our new offshore installation vessel Boreas was well underway in 2023. By the end of the year, the hull of the vessel had been fully assembled. The focus now shifts to commissioning the engines and transferring the vessel to the water to build up the legs and install the crane. The vessel is expected to arrive in the Netherlands in early 2025, where it will be outfitted with mission equipment and prepared for its first installation project in the summer of 2025. 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. It is equipped with numerous electric drive systems, a large on-board battery pack and a waste heat recovery system, all of which significantly reduce the vessel's fuel consumption. Its dual-fuel engines can run on (renewable) methanol, a clean-burning fuel that significantly reduces emissions.

Upgrades

The upgrade of offshore installation vessel Aeolus was completed in early 2023. The Aeolus was equipped with an extended crane boom to install the newest generation of 12 to 15 MW wind turbines. The original design and construction of the Aeolus also allows for other types of upgrades to improve

its performance during her lifetime. After receiving the new crane boom, the Aeolus returned to Saint-Brieuc, where it installed the final set of jacket foundations.

Work began to upgrade heavy-lift installation vessel Svanen. Offshore wind turbines are growing larger and wind farm technology is advancing rapidly, requiring modifications to the gantry crane, lifting hooks and gripper, as well as structural upgrades to accommodate the latest hammer size. The extension of the gantry crane by 25 metres makes the Svanen one of the largest heavy-lift installation vessels worldwide. The upgraded Svanen will be operational by the end of 2024.

Recommissioning

After several years of being idle, we initiated the recommissioning of the trailing suction hopper dredgers Vox Máxima and Volvox Terranova. The recommissioning of our idle vessels enables us to meet market demand and capitalise on new commercial opportunities. In 2023, these included opportunities in the Middle East and Far East.

Land-based equipment

Van Oord commissioned additional electric excavators in 2023, as well as the first electric wheel loader in the Netherlands. Wicks, Van Oord's soil improvement subsidiary, invested in more sustainable land-based equipment. The addition of 3 state-of-the-art Rapid Impact Compaction (RIC) machines reduces fuel consumption, emissions of greenhouse gases (CO₂e), nitrogen oxides (NO_x) and particulate matter (PM).



Our fleet

Our fleet and crew are essential to achieving our strategy Building the Future Together. We are investing in new sustainable equipment, upgrading our most energy-intensive vessels and taking action to accelerate the adoption of biofuel to achieve net-zero emissions. As part of our The Right People strategy, we continue to expand our international crew and enhance our crew's experience.

Net-zero emissions

Van Oord has committed to achieving net-zero emissions to combat global climate change. This effort is led by the net-zero emissions working group, which in 2023 introduced a short-term, mid-term and long-term plan with a focus on 3 workstreams: technology, governance and behaviour, and energy.

In the long term, we reduce our emissions by renewing our fleet and delivering Marine ingenuity in how we execute projects. Our new vessels feature flexible engine technology

to accommodate the more sustainable biofuels available today and to switch to advanced biofuels and synthetic electro-fuels in the future. All vessels are also designed to be as energy efficient as possible. We continuously strive to bring Marine ingenuity to the next level, in which Van Oord's The Right People strategy plays a key role.

In the short term, we will reduce our emissions through the use of biofuel. For many clients, the relatively high price of biofuel compared to standard marine fuel remains a barrier to choosing the more sustainable option. In 2023, Van Oord announced the introduction of a Green Fuel Fund, which will provide operational and financial support to accelerate the adoption of biofuel.

With short-term and long-term measures in place, we focus our efforts on the mid term. Of our main fleet, around 25 vessels are responsible for 80% of our fuel consumption and thus emissions. By investing in upgrades to those vessels, we will be able to substantially decrease our greenhouse gas emissions. In 2023, we started assessing the top 25 vessels individually and mapping out technological improvement options. By mid-2024, we aim to finalise our plan and timeline for upgrading these vessels.

Recycling policy

Van Oord has a Vessel Recycling Policy in place to safely and sustainably recycle vessels at the end of their lifecycle. 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. We regularly audit our Vessel Recycling Policy for ongoing compliance and conformance to our high social and

We continue to invest in the fleet of the future.

+	-
<p>The following vessels will be added to our fleet in the upcoming years:</p>  <p>2 Water injection dredgers - Rijn - Rhône</p>  <p>1 Offshore installation vessel - Boreas</p>	<p>In 2023, we decommissioned the following equipment:</p>  <p>1 Trailing suction hopper dredger - Lelystad</p>

environmental standards. The most recent audit took place in 2023. We followed the policy in the decommissioning of trailing suction hopper dredger Lelystad in 2023.

Crewing

We continued our hiring efforts in 2023 and were successful in expanding our crew to accommodate a growing number of projects around the world. As part of its The Right People strategy, Van Oord began optimising its global employment structure and recruitment practices in order to support the further growth of the workforce. Our new and innovative equipment has heightened Van Oord's appeal to prospective employees and has helped us to successfully recruit skilled Dutch seafarers. In addition, the internationalisation of our crew has enabled us to achieve the right mix of capabilities. It has also challenged us to find a balance between preserving our company culture and embracing the multi-cultural makeup of our crew. We spent significant time in 2023 to further improve that balance. It is part of our commitment to fostering an inclusive environment where crew members from various backgrounds feel comfortable and at home. In 2023, we focused on communication as well as improving our offerings and amenities on board. Examples include the availability of prayer rooms, accommodating dietary preferences and offering a wide range of entertainment options and foreign TV channels.

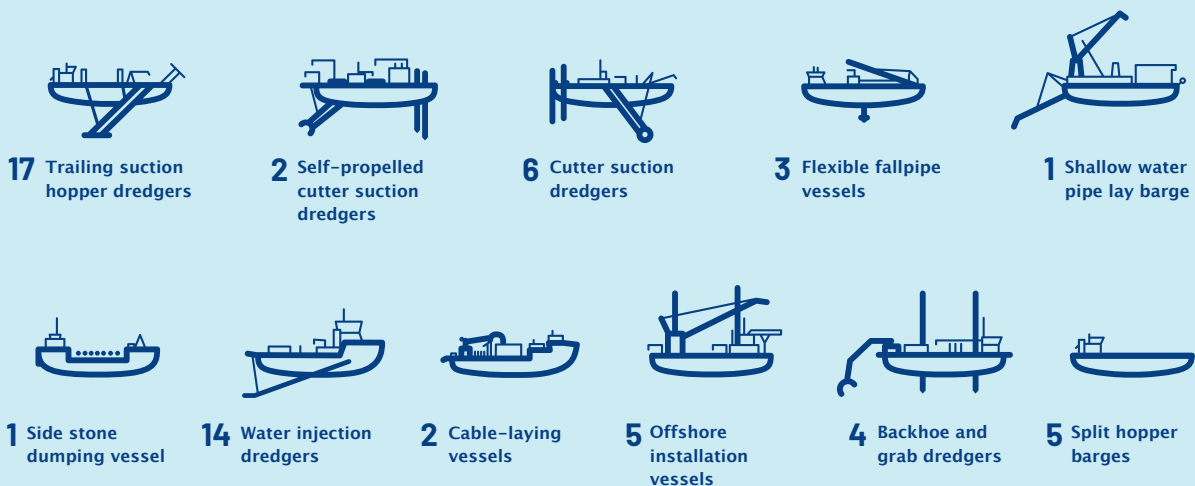
To foster an environment that reflects our company culture and core values, we consistently communicate and live up to the message that we are one team working towards the same goal. In addition, we create a consistent Van Oord look and feel across our vessels.

Van Oord's commitment to providing a positive employee experience make us an attractive employer in our industry. We design our vessels with employee comfort in mind. To provide the best possible experience for their time on board, we invest in a wide range of amenities. We also pay close attention to ergonomics. We involve our crew members in continuously improving the ergonomics on board. In 2023, these improvements included changes to the bridge, crane cabin, recreation room and vessel layout of several of our new vessels based on crew member feedback.

Main equipment



Our main equipment consists of 60 vessels*:



Utilisation rate (in weeks per year)**



* including vessels under construction ** including cold stacked equipment

Navigating towards
net-zero emissions.



4

Governance

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Organisation



Dredging & Infra

Dravo S.A.
 Mackley
 Paans Van Oord
 Van Oord Grondstoffen
 Wicks



Offshore Energy

MPI Offshore



Departments

Communication
 Corporate Affairs
 Engineering & Estimating
 Facility Services
 Finance & Control
 Information Technology
 Internal Audit
 Legal & Compliance
 Human Resources
 Procurement & Supply Chain
 Project Office
 QHSE
 Ship Management
 Strategy & Markets
 Survey
 Treasury

Composition of the Executive Committee

Pieter van Oord (1961)

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 De Koninklijke Nederlandse Redding Maatschappij

Katja Otten (1971)

Chief Financial Officer as of 2024 (Statutory Director)

Additional activities Supervisory Board member of Batenburg Techniek N.V.

Govert van Oord (1970)

Managing Director Dredging & Infra (as of 11 April 2024 Chief Executive Officer, 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)

Ronald Schinagl (1962)

Managing Director Dredging & Infra (as of 2020 member of the Executive Committee)

Additional activities Board member of The International Association of Dredging Companies (IADC)

Arnoud Kuis (1964)

Managing Director Offshore Energy (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)

Maurits den Broeder (1973)

Managing Director Offshore Energy (as of 2020 member of the Executive Committee)

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

Meike Salvadó-de Reede (1977)

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



From the left: Ronald Schinagl, Maurits den Broeder, Govert van Oord, Katja Otten, Pieter van Oord, Meike Salvadó-de Reede, Arnoud Kuis

From the left: Jan Valkier, Jean-Marie Laurent Josi, Charlotte Insinger, Niek Hoek, Ieko Sevinga, Rob Kretzers, Paul Verheul



Composition of the Supervisory Board

Niek Hoek (1956) – Chair

Nationality Dutch

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

Supervisory memberships

Anthony Veder Rederijzaken B.V. (Chair), BE Semiconductor Industries N.V., Cabka N.V. (vice chair)

Paul Verheul (1961) – Member

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), Foundation Board Royal IHC (Chair), MARIN (Vice–Chair), Board DOB Ecology, Stichting Open Nederland

Jan Valkier (1962) – Member

Nationality Dutch

Background Chief Executive Officer of Anthony Veder Group

Supervisory memberships

UK P&I Club (London) and UK P&I Club NV (Dutch holding) and KVNR – Dutch Shipowners Association (Chair)

Jean-Marie Laurent Josi (1964) – Member

Nationality Belgian

Background Chief Executive Officer of Cobepa N.V.

Supervisory memberships

SOS, Gerflor, Socotec, Corsearch Carmeuse and Bank Degroof

Rob Kretzers (1956) – Member

Nationality Dutch

Background Shell (1982–2016), Executive Consultant

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)

Ieko Sevinga (1966) – Member

Nationality Dutch

Background Chairman MerweOord, Chairman NOK.5, Member Management Board Rabobank (2017–2021), Member Management Board Van Lanschot (2007–2015), CEO Kempen & Co (2006–2008), Member Management Board Kempen & Co (2001–2005)

Supervisory memberships

DPG Media and DPG Media Netherlands

	Year first appointed	End of current term
J.M.J.A.P. Laurent Josi	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
I.A. Sevinga	2023	2027

Quality and safety



Van Oord takes the utmost care to guarantee safe working conditions in its day-to-day operations. We continued to hold ourselves to the highest safety standards in 2023, however, we did not achieve our internal safety performance target. We remain focused on strengthening our safety culture and are actively developing new tools, trainings and interventions. In addition, we launched our High 5 for Quality programme and introduced a quality roadmap.

The Lost Time Injury Frequency Rate remained relatively stable at 0.16 (2022: 0.15). The Total Recordable Injury Rate (TRIR) increased to 0.79 (2022: 0.51). Fortunately, the severity of these personal injuries was relatively low. There were no injuries resulting in permanent disability and no fatal accidents in 2023.

The number of reported near misses was 328 (2022: 250). In recent years, we have taken action to better facilitate the reporting of unsafe working conditions. The safety app makes it easy for employees to submit safety observation cards. The number of safety observation cards more than doubled in 2023 to 10,287 (2022: 4,101). The increase in the number of safety observation cards coupled with the increase in reported near misses shows that we are making progress towards lowering the reporting barrier, with the aim to continuously improve working conditions within our organisation.

Van Oord's commitment to safety is unwavering. We set high standards for safety, promote a proactive safety culture and reflect on and learn from successes and failures. In 2023, Van Oord executed significantly more projects than in 2022, which increased our employees' exposure to safety hazards. In addition, we welcomed many new employees. This combination may have contributed to a larger number of personal injuries. We are paying attention to the potential impact of operational developments on safety.

Proactive safety culture

Say YES to Safety is Van Oord's safety programme and encompasses training, tools, communication and events to establish and maintain a mature and proactive safety culture. We use the safety culture ladder to assess the maturity of our safety culture at Van Oord. Since 2018, most entities have been formally certified to level 4 of the NEN Safety Culture Ladder, which is consistent with a proactive safety culture in which safety is integrated into our way of working and is continuously improved.

In 2023, we appointed a safety culture programme manager to lead the improvement and development of safety tools,



trainings and various interventions like safety dilemma sessions. Strengthening the safety culture on our vessels and project sites will be a key area of focus. We see psychological safety – a key pillar of Van Oord's The Right People strategy – as an important precondition to improving our safety culture. Numerous studies have shown that there is a strong relationship between psychological and physical safety.

We cannot rely on safety protocols alone to prevent incidents. We depend on our employees' observations and reports of unsafe situations. When people feel psychologically secure, they are much more likely to speak up. In partnership with the Human Resources department, we will work towards creating an environment in which people feel comfortable raising concerns without fear of negative consequences.

The organisation grew substantially in 2023. As part of the onboarding process, all new employees participated in mandatory safety trainings. Employees are required to complete the Van Oord General Safety Introduction (VOGSI) e-learning course every 3 years. In addition, 120 managers completed the safety leadership training in 2023. The training consists of interactive sessions that concentrate on the role of managers as safety leaders and how their actions should contribute to strengthening our safety culture.

Quality

Van Oord strives to meet client expectations by delivering high-quality marine solutions. In 2023, we launched High 5 for Quality, our internal quality programme aimed at instilling a quality mindset in our organisation. The key elements of a quality mindset are craftsmanship, client focus, a process approach, continuous improvement and evidence-based working.

The programme comes on the heels of the Lessons Learned programme, which resulted in a renewed focus on quality. We have developed a quality roadmap for our business units and departments consisting of 3 elements:

1. Quality embedded in our mindset
2. Quality embedded in our systems and processes
3. Quality embedded in our organisation and governance

In 2023, we made significant progress to embed quality in our systems and processes. We evaluated the effectiveness of current systems and processes, determined areas of improvement and procured a business process management (BPM) tool. The tool helps us to define, document and standardise our processes, procedures and work instructions, including roles and responsibilities. In addition, we updated our document management system with a focus on documenting compliance with contract requirements.

Looking ahead

The Say YES to Safety programme has increased safety awareness in our organisation and contributed to a proactive safety culture. At the same time, the increase in our injury and accident rates shows that we cannot become complacent. In the year ahead, we will continue to evaluate and improve our processes and strengthen our safety culture. In addition, we will continue to focus on psychological safety. Finally, we look forward to further rolling out our High 5 for Quality programme with new tools, trainings, systems and processes.



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	ISO 14001:2015	ISO 45001:2018	ISO 50001:2018	ISO 27001:2013	ISO 37001:2016
(quality management) multisite certificate*	(environmental management) multisite certificate*	(occupational health and safety management) multisite certificate*	(energy management) multisite certificate*	(information security management)	(anti-bribery management system)

Entity-specific certificates include:

CO₂ performance ladder, level 5	Safety Culture Ladder, level 4	SCC certificate (Safety Checklist Contractors)	BRL7000 certificate for soil remediation
in the Netherlands	Van Oord Netherlands B.V. Van Oord Offshore B.V. Van Oord Offshore Wind B.V.	in the Netherlands	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 2023, Van Oord's compliance management system (based on ISO 37301:2021) was externally audited by EuroCompliance. The findings of the audit were positive and the certificate will be issued in 2024.

HSE statistics

		2023	2022
Lost Time Injuries (LTI)	Fatality (LTI-4)	0	0
	Absence more than 24 hrs (LTI-3)	12	10
Accidents without absence	Restricted Work Cases (RWC)	23	12
	Medical Treatment Cases (MTC)	24	13
	First Aid Cases (FAC)	53	47
Equipment damage		376	265
Environmental incidents		46	33
Near misses		328	250
Safety observation cards		10,287	4,101

Employee representation



In the Netherlands, **the Works Council promotes and protects** the interests of the company's employees. The Works Council has a right of consultation prior to 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 range of topics. At every meeting, we discuss the general state of affairs of Van Oord, including financial performance, market conditions, 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 2023, we held 9 meetings and met with several heads of department on Van Oord's approach to the repositioning of the business units, organisational growth and employee well-being. 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.

Repositioning

The Works Council played a proactive role in the repositioning from 4 to 2 business units. We requested information, assessed the potential impact of the repositioning on employees, provided advice and addressed concerns. We emphasised the importance of change management and of helping employees navigate the changes ahead. The repositioning presented some challenges, such as the integration of the Dredging and Netherlands business units, which both had a strong sense of identity and culture. From the outset, the Works Council felt that management acknowledged our concerns, was open to our feedback and advice, and responded and acted appropriately to mitigate negative impacts and correct issues as they arose.

Organisational growth

The organisation grew significantly in 2023. The onboarding of a large number of employees across various age groups, experience levels and backgrounds was a point of attention. Specifically, we aimed to understand the potential impact of a rapidly growing workforce on our company culture, as well as our ability to execute projects in a safe and professional manner. The implications of a growing organisation for our company culture was also the main topic of our annual Works Council training session, which we held in June. The training

session included conversations about what being part of a family company means for our culture and for our core values, and how we can ensure that we preserve the most valued aspects of our company culture, such as our entrepreneurial mindset, as the organisation grows. Prior to the training session, we invited members of the Van Oord family to explain their vision for the future. In addition to the Works Council members, the session was attended by 2 members of the Supervisory Board, 5 members of the Executive Committee and 2 colleagues from Young Van Oord.

Health and well-being

We consistently monitor the health and well-being of our colleagues. We pay attention to the sick leave rate and the underlying reasons for an increase in absences. The Works Council has a seat at the table of the healthcare committee, which meets with the company doctor twice a year to review and discuss the latest HR data, and with the QHSE team on health and safety.

In 2023, we saw an increase in the sick leave rate related to both physical and mental health issues. Notably, we perceived an increase in work-related stress. 2023 was an exceptionally busy year for Van Oord. Despite significant hiring, employees expressed concerns about a heavy workload and worsening work-life balance. We had a constructive conversation with management during which we addressed the impact of a rapidly growing organisation on employee well-being. We challenged them to consider how much the organisation can reasonably grow over the coming years without jeopardising both employee well-being and the overall health of the business.

Employee compensation

We followed up on the impact of inflation on the financial well-being of our employees, a major issue in 2022. In addition, we regularly review the employee compensation scheme of Van Oord against the collective employment agreements of our peers. Overall, we are pleased with the annual increase in 2023, which followed an intermediate increase of 4% in late 2022. We communicate employee feedback on salary decisions, including the competitiveness of Van Oord's employee compensation scheme, to management. As the eyes and ears of the

organisation, we not only give advice on the annual salary increase, but also provide insight into the questions that employees have. In doing so, we aim to provide management with the information they need to communicate decisions to employees.

Requests for consent

We received and responded to the following requests for consent in 2023:

- We agreed to a change in the travel policy for higher management related to the compensation of travel time. The Works Council received a significant amount of feedback following the decision and requested additional information from management. The decision was made to keep the travel time compensation policy for this group of colleagues.
- We agreed to update the definition of annual salary for staff employees and crew in relation to the implementation of a new payroll system. Our consent followed confirmation by management that the change does not reduce the net compensation for employees.
- We agreed to revising the holiday allowance accrual system for staff employees and crew in order to align the payout date with the end of the accrual period.
- We agreed to determine the collective holiday entitlements.
- We agreed to an adjustment in the Collective Defined Contribution (CDC) budget for the pension scheme for the benefit of staff employees.

Requests for advice

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

- The repositioning of the business units. The Works Council advised the Executive Committee to provide sufficient guidance to employees throughout the integration.
- Proposed investment in a new Enterprise Resource Planning (ERP) system.
- The proposed introduction of a mobility allowance in lieu of the (conditional) right to a company lease car.
- The appointment of a new CFO. The Works Council provided input for the role specification.
- Succession planning and appointment of the new CEO.
- Securing additional external financing.
- The Works Council's Finance Committee held recurring meetings with the Director Finance & Control to discuss the financial performance and position of Van Oord.

Communication

The Works Council is in a unique position to advise management on the communication of important decisions and measures to employees. In 2023, we worked closely with management and the Corporate Communications department on the communication strategy around various decisions. These included the decision to change the holiday allowance accrual system and the updated definition of annual salary for staff employees. In October, we delivered our internal communication proposal, which was adopted by the Corporate Communications department.

Outlook

We will continue to look after the interests of all employees. Each year, we review the results of the Organisational Health Index survey. The survey results provide valuable insights into employee well-being and inform our council's priorities. Specifically, we will seek to understand why the eNPS (employee net promoter score) decreased in 2023. In addition, we will pay close attention to the changes to the Dutch pension scheme and their impact on our colleagues. We look forward to many more constructive conversations within the organisation and to contributing to a positive and strong company culture.

Our actions are based
on long-term continuity
and stewardship.

By deploying heavy-duty electric and hybrid equipment at the dyke reinforcement project in the Dutch province of Zeeland, we achieve a reduction of over 25% in greenhouse gas emissions.

Corporate governance



Van Oord's 3 new LNG trailing suction hopper dredgers – Vox Ariane, Vox Apolonia and Vox Alexia – reinforced the coast of the Dutch province of Zeeland.

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 the following members: 2 statutory directors (Chief Executive Officer and Chief Financial Officer), the Chief People Officer and the Managing Directors of the 2 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 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 & Risk 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.

In accordance with the bill on gender diversity, 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.

Leadership Teams

The company is structured into 2 business units. The Dredging & Infra and Offshore Energy business units are governed by Leadership Teams, Extended Leadership Teams and supported by departments. The Leadership Teams are responsible for managing the business units on a strategic and operational level in line with approved strategies and budgets.

Global Leadership Team

The Global Leadership Team consists of all the members of the Executive Committee, the Leadership and Extended Leadership Teams of the business units, the Management Team of SMD and all Department Directors. New talent and topic experts are invited annually. The Global Leadership Team meets at least 2 times a year and these meetings are chaired by the Chief Executive Officer. The primary purpose of these meetings is to allow the Executive Committee, Leadership Teams and departments to exchange views and information, and to act as a sparring partner for the Executive Committee on 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's Internal 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



Subsidiary Paans Van Oord installed a temporary watertight dam to renovate the century-old weir in Roermond, the Netherlands.

Van Oord recognises the pivotal role of effective risk management

in achieving its strategy Building the Future Together. Over the last 2 years, we have enhanced the embedment of our Integrated Risk Management framework in our core processes, resulting in a more comprehensive, structured and unified approach to managing risks across the organisation. We continually evaluate our processes and strengthen our framework.

Van Oord's activities for the offshore energy, dredging and infrastructure markets carry inherent risks. Risk management is therefore essential to our core business processes and a key element of our corporate structure and governance. We strive to optimise the balance between risk and reward in order to maintain the profitability of our business and our ability to deliver long-term value for our clients, society and the environment.

Integrated Risk Management framework

Van Oord's Executive Committee is responsible for maintaining a comprehensive risk management and internal control system, and for regularly assessing its effectiveness. The Integrated Risk Management (IRM) framework, as part of the Van Oord Management System, encompasses and efficiently organises risk activities across the project, business units and corporate levels. We have implemented processes to ensure alignment among various risk functions and activities, adhering to globally accepted standards such as ISO 31000 and COSO.

Context

The IRM framework is rooted in Van Oord's corporate strategy Building the Future Together, organisational culture and values. As such, our approach is grounded in shared responsibility and accountability and involves colleagues from key organisational areas.

Strategy & objectives

Our purpose is to create a better world for future generations by delivering Marine ingenuity. We deliver long-term client and stakeholder value through our synergistic portfolio of marine businesses. We strive to enhance the energy transition and to deliver climate adaptation and marine infrastructure solutions.

Values & culture

The values: we create, we care, we work together and we succeed drive us internally and externally. Marine ingenuity is our signature and the spark that lights the spirit of our professionals.

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 impact of a risk event, or both. Van Oord's risk appetite is strongly linked to our company strategy, objectives, values and culture, and is updated annually. Van Oord actively refers to its risk appetite to improve decision-making throughout the organisation.

Risk management process

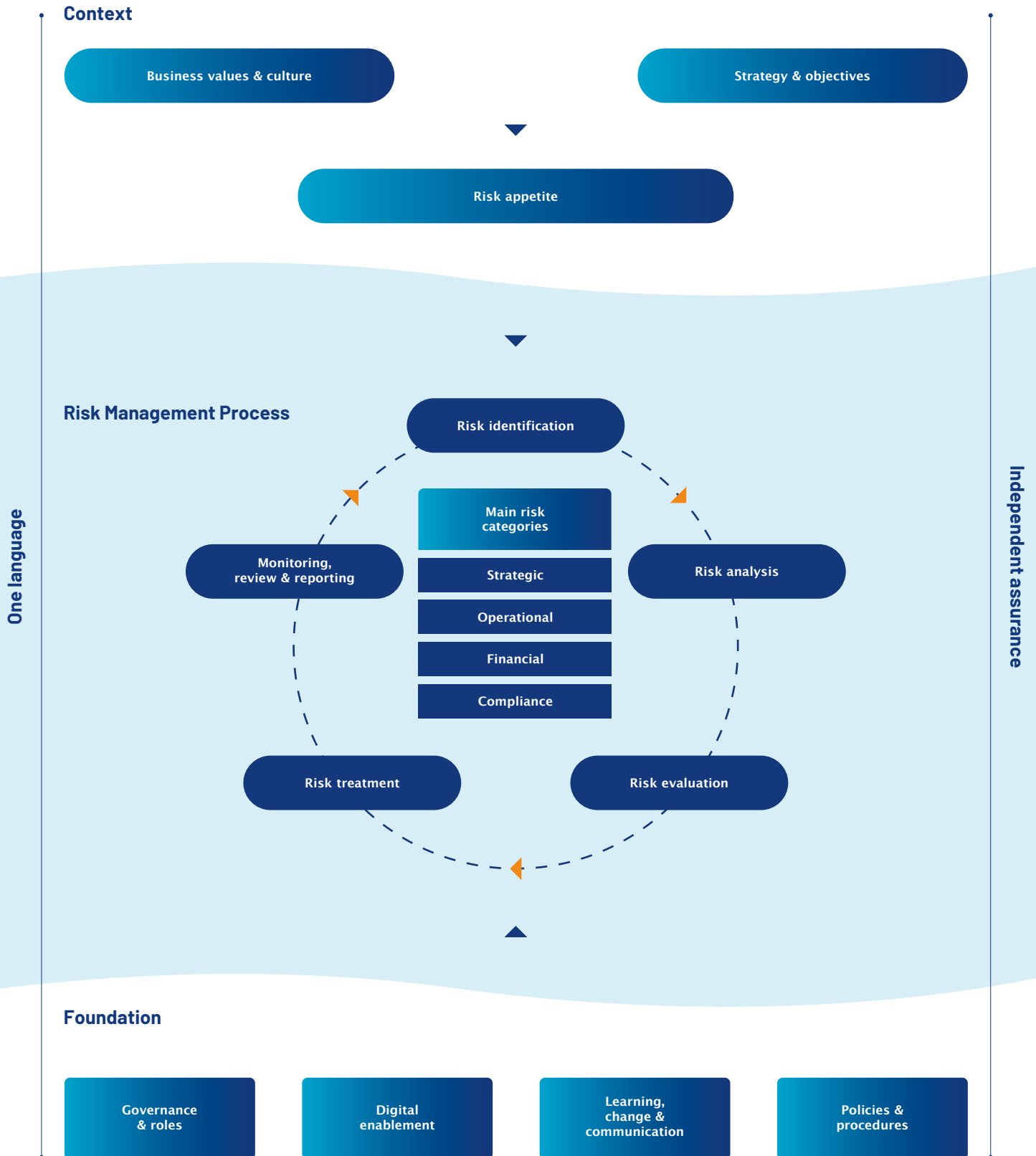
Risk identification

We distinguish the following main risk categories: Strategic (including external risks), Operational (including project risks), Financial and Compliance. We use a 4-point scale to indicate our risk appetite, which ranges from averse to open. We determine risk control measures in accordance with the defined risk appetite and our strategy and business objectives as a whole. These control measures are supported by policies, standards, procedures and guidelines as recorded in the Van Oord Management System.



Key risks

Van Oord's risk profile is dynamic as a result of regular risk assessments at the corporate and business unit level, enabling us to adapt mitigation measures to business reality. This chapter includes the most recent list of key risks for Van Oord based on assessments and information from external sources. The trend indicator reflects the change in the severity of the risk level compared to the prior year. These changes are caused by internal or external developments. Van Oord's IRM framework ensures that Van Oord's key risks are managed properly.


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 155 years of experience, 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 (e.g. the introduction of vessels with new technology and capabilities), which asks for significant investments and a long-term perspective. As a result, Van Oord has a balanced stance towards taking risks as this is directly related to generating rewards. However, risks are carefully considered, with proper controls in place.

 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 client satisfaction and stakeholder value 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 Energy are tremendous. Therefore, our risk appetite for our Offshore Energy activities is slightly higher than our risk appetite for activities within the more mature Dredging & Infra business unit. Regarding specific operational risks such as safety, we adopt a cautious risk appetite, whereas for cybersecurity, we adhere to 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 funded through earnings generated while managing a controlled level of debt, prioritising solvency and robust cash flow, and ensuring compliance with all banking covenants. 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 cautious with regards to its financial appetite (e.g. foreign exchange, interest rate, liquidity, commodity, counterparty risks).

 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 foundation

We continue to improve our risk management foundation, which consists of 4 elements:

1. Governance & roles
2. Digital enablement
3. Learning, change & communication
4. Policies & procedures

1. Governance & roles

We embed risk management at every level of the organisation. We have a corporate risk committee as well as business unit risk committees in place to support a comprehensive approach to risk. In 2023, we worked closely with the new Offshore Energy and Dredging & Infra business units to optimise the composition of the risk committees and ensure the right roles are represented. We introduced the central IRM role to facilitate risk management at the project, business unit and corporate (including the departmental) level. In addition, we professionalised our comprehensive project risk management process. The IRM framework promotes alignment between our various risk functions and activities.

Project risk management

We continue to improve risk management at the project level. In 2023, we improved our stage gate approach, optimised our risk categorisation system and standardised our risk registers and project risk management formats.

1.1 Stage gate approach

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

1.2 Project risk categorisation

We have a project risk categorisation system in place to assess our risk exposure at the tender, project and portfolio level. The system involves categorising tenders and projects according to their risk profile from A to D. The risk category determines the risk management approach, including the resources that will be dedicated to risk management and the follow-up actions.

In 2023, we improved the risk categorisation system by assigning roles and responsibilities based on the risk category. The improvement ensures that the right people are involved at an early stage and remain involved throughout the acquisition, tendering and realisation phase to monitor the project's risk profile. As a result, we are able to keep our project and portfolio risk view current and make decisions accordingly.



1.3 Risk portfolio model

The project categories are aggregated into risk portfolio model. The model provides up-to-date insight into our risk exposure and helps us determine if it aligns with our risk tolerance. It thereby promotes risk awareness, ensures that adequate risk mitigation measures are in place, and supports a healthy risk-reward balance and improved profitability. This system provides objective risk information based on data, independently from Van Oord's commercial view on the project.

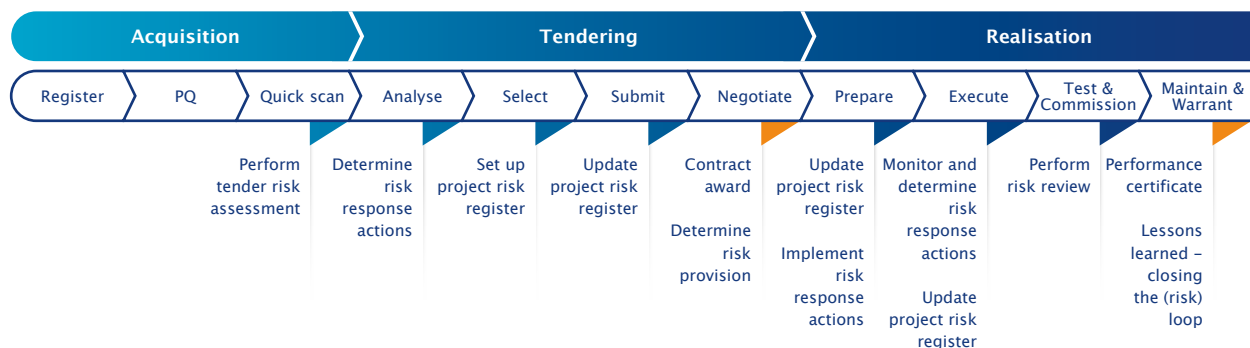
1.4 Risk register and project risk management formats

We standardised the risk register and project risk management formats to ensure a consistent approach to risk assessments, decisions and management. The new formats provide guidance for the documentation of assumptions, which supports decision traceability and transparency. In addition, they incorporate a mechanism for calculating risk provisions informed by our analysis of lessons learned from previous projects. The risk category in combination with the risk assessment determine the management reserve.

1.5 Risk assessment and mitigation

As part of the risk assessment and mitigation process, we regularly conduct scenario analyses. These analyses challenge teams to imagine ways in which a project can unfold and to prepare back-up scenarios for various risk events. These back-up scenarios serve as input for the risk mitigation plan. Project teams may also consult the business unit risk committees on appropriate risk mitigation measures.

Stage gate approach to project risk management



1.6 Root cause analyses and lessons learned

The Lessons Learned programme helps us to close the loop on risk management and consequently improve the accuracy of our risk assessments and the effectiveness of our internal processes for reducing risk. We perform root cause analyses to understand the underlying reasons for project setbacks, such as cost overruns. We translate insights into solutions that address the core of the problem and drive long-term improvement. Increasingly, we are performing root cause analyses to understand what factors contribute to highly successful project outcomes.

2. Digital enablement

Van Oord's digital strategy and Founding the Future programme focus on the use of data and digital tools to create business impact. The investments in infrastructure, technologies, products and governance offer many opportunities for enhancing our risk management activities. In 2023, we initiated the selection process for a specialised risk management tool. The tool will streamline the analysis, monitoring and reporting of essential risk data. This initiative is closely aligned with the Founding the Future programme. As such, the tool will integrate seamlessly with Van Oord's new ERP system.

3. Learning, change & communication

Our company culture and business values drive our approach to risk management. They also inform how we involve our colleagues and stakeholders in the implementation of our IRM framework and the execution of our risk management activities. In 2023, the risk management team attended the global leadership meeting to provide an update on risk management within Van Oord, held presentations for the business units and departments to promote risk awareness and conducted sessions with tender managers, project managers and leads about risk management roles and processes. The focus on learning, change and communication contributes to overall risk awareness and promotes shared responsibility and accountability.

4. Policies & procedures

We update and extend our policies and procedures to reflect the latest standard in our approach to risk management. Employees can access our policies and procedures through the Van Oord Management System. In 2023, we formalised the IRM framework, updated our tender risk management procedure, risk register template and risk categorisation system.

Outlook

Moving forward, we will continue to build on our strong risk management foundation. The implementation of a new ERP system, part of the Founding the Future programme, will help us to better analyse and control risks. In addition, we will focus on consolidating our view on risk. The development of a comprehensive and integrated view of our risk exposure will facilitate better communication across different levels of the organisation and improve risk monitoring and reporting. Closing the loop on risk management remains a high priority. In 2024, we will work with the risk committees to develop processes for reviewing and incorporating lessons learned into future tenders and projects.

Risk Category	Key Risk	Mitigating Measures	Strategic priority related to the risk	Trend
Strategic	Economic conditions			
	The risk that economic conditions (e.g. inflationary pressures) in markets in which we operate could lead to a significant decrease in growth opportunities or impact margins for Van Oord, resulting in loss of competitiveness and/or diminished financial performance.	Van Oord actively monitors market developments. To proactively manage economic risks, we employ financial controls, dynamic contracting, and diversification. Our commitment to operational efficiency, inflation safeguards, and strategic collaborations ensures resilience in fluctuating markets.	General / external environment	↑
Strategic	Geopolitical instability			
	The risk that evolving changes in the geopolitical space (e.g. wars/armed conflicts, trade wars, border restrictions and shifting multilateralism) could negatively impact Van Oord's ability to operate in international markets.	Van Oord performs geopolitical risk assessments, stays informed about global developments and diversifies its international operations. Maintaining strong relationships with local partners, engaging in diplomatic dialogue, and establishing contingency plans contribute to the company's adaptability and resilience in the face of evolving geopolitical challenges. As a consequence, Van Oord takes out additional insurances on country risk and political instability where necessary.	General / external environment	↑
Strategic	Technology adoption			
	The risk that the speed of disruptive innovations enabled by advanced technologies (e.g. artificial intelligence, automation in all its forms) could lead to Van Oord falling behind in digitalisation, resulting in a loss of competitiveness and reputation.	Digital is one of Van Oord's strategic themes and involves investments in people, systems, and processes necessary to optimise our use of data and embrace digital. Strategic partnerships and the monitoring of industry trends ensure that the company remains at the forefront of technological advancements, remains competitive and enhances its reputation in the market.	Operational Excellence	=
Strategic	ESG			
	The risk that Van Oord will not comply with ESG factors, which include external challenges like climate changes and heightened regulations, along with its internal operations, poses a significant threat to its financial stability, reputation, and competitive standing. This could potentially lead to missed opportunities and a failure to meet evolving client needs.	Sustainability is one of Van Oord's strategic themes. Van Oord places a strong emphasis on sustainability and compliance. Our S.E.A. sustainability programme has resulted in a corporate strategy around ESG risks and opportunities. We actively manage ESG-related risks by implementing policies, establishing ESG-focused committees, and deploying working groups. Our commitment to sustainability goes beyond regulatory obligations. The 4 pillars of the sustainability strategy are: Energy transition, Climate actions, Nature and community empowerment, and Achieving net-zero emissions.	Sustainability	↑
Strategic	Reputation			
	The risk that 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.	To safeguard our commitment to integrity, Marine ingenuity, and environmental, social, and governance (ESG) principles, Van Oord prioritises open communication. We are transparent, respond to challenges swiftly and engage in ongoing stakeholder dialogue to consistently uphold our commitment and mitigate the impact of unforeseen events on our reputation.	General / external environment	=

Legend: ↑ Increased (residual) risk = Neutral risk trend ↓ Decreased (residual) risk

Risk Category	Key Risk	Mitigating Measures	Strategic priority related to the risk	Trend
Strategic	Innovation			
	The risk that Van Oord's innovations will not be successful, resulting in a decline in client appreciation and reputation and decreased market share.	We prioritise continuous innovation and responsiveness to client needs. By monitoring market trends and adapting our strategies, we aim to enhance client appreciation and maintain a strong market presence. We do this through our Vox innovation programme. In addition, we invest in an innovative and sustainable fleet. New additions include the Vox Ariane, Vox Apolonia, Vox Alexia, and Calypso. Fostering transparent communication and delivering on commitments further safeguards our reputation and reinforces our resilience in the face of potential challenges.	Operational Excellence	=
Strategic	Protectionism (deglobalisation)			
	The risk that 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 decreased market share.	Van Oord maintains a diversified market entry strategy, assessing and adapting to geopolitical trends. Engaging in local partnerships, maintaining regulatory compliance, and fostering diplomatic relationships helps lower barriers to ensure continued access to markets and minimise the impact of protectionist measures on costs and market share.	General / external environment	↑
Strategic	Culture			
	The risk that Van Oord failing to become and remain a high-performance organisation with a people-focused, collaborative, agile, client-oriented, and performance-driven culture could impact our effectiveness and competitiveness.	Van Oord is focused on creating a high-performance culture rooted in secure base leadership, psychological safety, and attractive employee journey. We are also committed to fostering a more inclusive, diverse, and international organisation. Through leadership training, employee development, and transparent practices, we aim to build a culture that embodies excellence, inclusivity, and global collaboration.	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 and inclusive (international) background, resulting in a talent/skills shortage and unbalanced workforce.	As part of its 'The Right People' strategy, Van Oord prioritises talent acquisition, with a focus on diversity and inclusion in recruitment efforts. Van Oord also conducts Organisational Health Index (OHI) surveys among its employees to evaluate organisational health across 4 elements: leadership, culture, strategy, and operations. We also continually invest in employee development, mentorship programmes, and a positive workplace culture to retain skilled professionals and cultivate a balanced and resilient workforce.	People	=
Strategic	Information Security			
	The risk of a severe cyberattack from which we cannot financially recover, resulting in Van Oord going out of business. Additionally, there is the risk of unauthorised access to our intellectual property/sensitive data, which could lead to losing our competitive advantage and the company going out of business.	Van Oord has implemented a management system and underlying information security risk and control framework consistent with the international ISO 27001 standard. Information security encompasses 4 core domains: personnel security, physical security, supplier security, and systems security. Van Oord has set up an information security risk committee to oversee the information security risks within Van Oord.	Financial Health	=

Risk Category	Key Risk	Mitigating Measures	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 instable prices in the supply chain ecosystem result in difficulties for Van Oord to deliver its products or services at acceptable margins.	Van Oord employs a diversified supplier base, conducts thorough risk assessments, including due diligence and establishes contingency plans. Ongoing monitoring of global supply chain dynamics, proactive communication with suppliers, and strategic stockpiling of critical resources contribute to the company's resilience in navigating uncertainties and ensuring the delivery of products and services at acceptable margins.	General / external environment	↑
Operational	Cyber risk			
	The risk that our computer systems and infrastructure in (project/branch) offices or onboard vessels suffer a cyberattack, resulting in the disruption of business processes, financial losses, (fatal) injuries, environmental damage, or reputational damage.	Van Oord has implemented a risk and control framework to mitigate operational risks, consistent with international (ISO) and industry standards and best practices.	Operational Excellence	=
Operational	Injuries			
	The risk that unsafe conditions at the project site could lead to accidents/ incidents resulting in (fatal) injuries.	Van Oord promotes a robust, no-blame safety culture through the Say YES to Safety programme. The programme encompasses safety instructions and information as well as training courses for all persons working for and on behalf of Van Oord. Inspection programmes, strict HSE protocols and open communication contribute to a safer working environment and reduce the likelihood of incidents.	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.	Van Oord conducts comprehensive risk assessments during the tender and execution stages of a project, which also involve contingency planning and scenario analyses. The monitoring function of our Business Unit and Corporate Risk Committees, adaptive project management strategies, and open communication channels with stakeholders are integral to upholding our high performance standards.	Operational Excellence	=
Operational	Stacked complexity (in portfolio)			
	The risk of heightened 'stacked' complexity within our project portfolio (e.g. complex projects, reliance on unique key assets), resulting in significant financial impacts and capacity issues.	Van Oord employs robust project management methodologies involving regular risk assessments and analyses. We achieve a balanced project portfolio by diversifying across various industries or project types. In addition, we invest in skill development and engage in strategic collaborations. In doing so, we increase our overall capacity and minimise potential financial impacts from complex project challenges.	Operational Excellence	↑
Financial	Financial reporting			
	The risk that Van Oord's financial statements contain material misstatements or fail to meet external reporting requirements which could lead a loss of confidence among key stakeholders (e.g. banks) and reputational damage.	Van Oord has internal controls in place and conducts regular reviews and (internal) audits to ensure the accuracy and compliance of financial statements. Training for financial personnel and adherence to regulatory standards and the Van Oord accounting manual further enhance transparency, reducing the likelihood of material misstatements and preserving stakeholder confidence.	Financial Health	=

Risk Category	Key Risk	Mitigating Measures	Strategic priority related to the risk	Trend
Financial	Management information			
	The risk that 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.	Van Oord has data governance frameworks in place to ensure the accuracy and accessibility of both financial and non-financial data. Continuous investment in information systems and regular audits enhance the reliability of our management information. Employee training programmes further promote data accuracy and contribute to informed decision-making.	Financial Health	=
Financial	Tax risk			
	The complexity of Van Oord's international operations and the substantial changes to the international tax landscape introduce a significant tax risk. This includes potential impacts on effective tax valuations, tax assets and liabilities and provisions. It may arise from differences in interpretation regarding transfer pricing, permanent establishments, application of tax treaties, and utilisation of tax losses. The complexity of the international tax landscape leaves substantial room for interpretation, increasing the likelihood of disputes with tax authorities, unanticipated liabilities and financial uncertainty.	Amidst the ever-changing global tax environment, Van Oord is proactively monitoring and addressing these risks to ensure transparent reporting, regulatory compliance, and effective tax planning. In the event of a likely outflow of resources, positions will be recorded following management discussion and consideration. Despite ongoing discussions regarding tax positions, this risk may not be fully mitigated entirely, and the final assessment may differ from the best estimate in Van Oord's historical income tax provisions and accruals.	Financial Health	↑
Compliance	Compliance & integrity			
	The risk that the involvement of Van Oord employees and contractors (third parties) 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.	To mitigate the risk of non-compliance and maintain a culture of integrity, Van Oord conducts regular compliance trainings for employees and contractors. Implementing internal controls, fostering a culture in which employees feel safe to speak up, and conducting thorough audits helps ensure adherence to company policies and regulatory requirements. These actions safeguard against financial losses and reputational damage. All policy statements (e.g. the code of conduct, anti-bribery policy) have been shared with relevant parties and published on our corporate website.	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 that are beyond our control), resulting in negative financial performance and/or project delays.	Van Oord engages in contract negotiations with the goal of distributing risks equitably and aligning terms with industry standards. Regular legal reviews, risk assessments, and strategic alliances with legal experts ensure that contracts are fair and protect Van Oord against negative financial impacts and potential project delays.	Operational Excellence	=

Compliance



Constructing a landfall for pipelines at the Dos Bocas project in Mexico.

As a company with **worldwide operations**, Van Oord must comply with Dutch, international and local 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 that each employee must uphold. 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 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 7 people, all specialists in various ESG topics. The Compliance Team 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 2023, 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. This due diligence process is repeated annually and upon contract renewal. Furthermore, every new agent receives onboarding training provided by the Compliance Team.

As part of the CEP and 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 2023, Van Oord exercised its right to audit by inspecting 2 agents.

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 that deals with concerns of a general nature that can have an impact on Van Oord and society in general. Examples include socially unsafe working conditions, structural discrimination and corruption. As part of this Reporting of Concerns Policy, we appoint 3 internal Trusted Persons, one of whom is the Compliance Director. Employees may approach the Trusted Persons to discuss concerns and request assistance. 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 (if this is desired by the reporter).

At any time, employees can report concerns to their immediate manager, the Trusted 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.

The 3 pending reports from 2022 were concluded in April 2023. There were 4 reports in 2023:

- 2 reports that were determined to be outside of the scope of the policy, because the concerns were of a personal and not of a general nature.
- 2 reports that were deemed admissible and are currently under review under the Investigating Possible Compliance Irregularities Policy.

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 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 that all our employees, subsidiaries and joint venture partners must uphold. We expect our suppliers to adhere to a similar set of principles. Therefore, we have established a Code of Conduct for Supply Chain Partners, 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 and refraining from using corrupt practices or engaging in bribery. 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 Investigating Possible Compliance Irregularities Policy was established to support the development of controls that will aid in the detection and prevention of compliance irregularities, 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 obvious 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 of compliance issues and inform participants of our procedures and how they can get help and guidance if they encounter these situations. In 2023, 1 dilemma meeting was held in Brazil together with representatives from Central and South America.

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 2023, Van Oord continued its social commitments in Angola. We again donated food and basic goods to the Caxicane community, which includes members of the former Areia Branca community, through the NGO SOS Habitat.

Our tailor-made programme run by Orange Corners in Luanda is still ongoing. Thus far, 60 young adults from the former Areia Branca community have received professional skills training. 20 participants are following a 6-week training programme. 20 participants have started or are about to start the second phase of the programme: a paid 6-month vocational training programme and internship position at a local company. 10 more participants started in December, and the last 10 will start in 2024. Upon completion of the internship, the top 30 participants will be invited to participate in an intensive incubation programme, during which they get to develop their own startup business proposal. The top 15 startups will receive a financial contribution to the development of their business.

Consultores JMJ Angola submitted a draft report detailing the results of the needs assessment that they conducted in the former Areia Branca community on behalf of Van Oord. The needs assessment will be used as the basis of a livelihood improvement programme for the community.

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. We perform monthly sanctions due diligence checks of approximately 100,000 suppliers. In 2023, we performed reputational due diligence checks of 179 suppliers, 35 potential new partners and 45 clients. All issues arising from 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. (Completed)
2. Consider providing monthly compliance review overviews to the Managing Directors of both business units instead of to management Dredging & Infra only. (Completed)
3. Consider creating a network of Compliance Contact Persons to improve the visibility and impact of the Compliance Enhancement Programme in the Business Units. (Completed)
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. (Under development)
5. Consider developing, testing and implementing a Compliance Risk Assessment methodology and process. (Completed)
6. Clarify the scope of the Incidents Handling Procedures and include the compliance-related version in the Van Oord Management System. (Completed)
7. Keep the network of Trusted Independent Persons/ Confidential Counsellors accessible, updated and visible. (Completed)
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. (Completed)
9. Maintain a register for requests and approvals for gifts and hospitality. (Completed)

ISO 37001 Anti-Bribery Management Certification

In 2023, Van Oord officially received the ISO 37001:2016 certificate. ISO 37001 is an international standard for anti-bribery management systems. It sets out requirements and provides guidance to help us prevent, detect and respond to bribery and comply with anti-bribery laws applicable to our activities.

Taxation

Van Oord operates on a global scale, which requires us to navigate the growing tax complexity as a result of local, EU and OECD initiatives. As such, multinationals like Van Oord are under increased scrutiny, marked by a significant increase in tax and regulatory compliance obligations. This complexity may lead to interpretation differences, which increases the risk of non-compliance and, as a result, of double taxation, additional tax payments, penalties and interest payments. We aim to comply with all applicable tax laws, be transparent about our tax approach and pay our fair share of taxes in the countries in which we operate. For this we follow the tax principles as published by VNO-NCW and we adopt these principles as our own.

Compliance enhancement next steps

The Van Oord Compliance Team will continue to advance the Compliance Enhancement Programme. Our next steps are as follows:

- Consider implementing country-specific anti-bribery & anti-corruption policies.
- Achieve the ISO 37301:2021 Compliance Management certification.
- Continue dilemma meetings on location.
- Improve awareness of compliance and related topics in various layers of the organisation.

ESG working groups

In order to comply with the OECD Guidelines for Multinational Enterprises, we must perform environmental, social and governance (ESG) due diligence and risk management and document our processes. Van Oord has updated its ESG Due Diligence process, which has been added to the Van Oord Management System, and introduced ESG working groups.

Van Oord establishes ESG working groups for all projects flagged by the ESG due diligence process. These are projects with a higher risk profile. The working groups proactively collect information to monitor compliance of projects with our ESG policies and procedures. The multi-disciplinary team connects the tender or project team with the staff departments. Their reporting serves as a single source of truth for up-to-date project information. The working groups support all project stakeholders in assessing risks and determining risk mitigation strategies. The working groups also provide project and business unit managers with the information they need to discuss sensitive topics with clients, as well as the assistance that Van Oord can provide.

Van Oord is committed
to maintaining a good
working environment
and open culture.





5 Financial statements

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 2023	31 December 2022
Fixed assets			
Intangible fixed assets	1.	1,712	9,019
Tangible fixed assets	2.	1,867,414	1,825,871
Financial fixed assets	3.	72,745	55,424
		1,941,871	1,890,314
Current assets			
Stock		64,912	63,784
Work in progress	9.	201,434	227,008
Receivables	4.	723,725	457,458
Cash at bank and in hand	5.	378,470	400,393
		1,368,541	1,148,643
Total assets		3,310,412	3,038,957
Shareholders' equity	6.	1,074,613	984,504
Provisions	7.	208,067	211,188
Long-term liabilities	8.	421,824	578,770
Current liabilities			
Short-term liabilities	8.	108,667	-
Work in progress	9.	642,824	484,356
Other liabilities	10.	854,417	780,139
		1,605,908	1,264,495
Total shareholders' equity and liabilities		3,310,412	3,038,957

Consolidated profit and loss account

(x EUR 1,000)

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

		2023	2022
Net revenue	11.	2,866,360	2,020,815
Costs	12.	-2,284,379	-1,608,619
Depreciation of tangible fixed assets	2.	-170,871	-156,146
Amortisation of intangible fixed assets	1.	-8,715	-9,263
Total cost of work		<u>-2,463,965</u>	<u>-1,774,028</u>
Gross profit		402,395	246,787
General and administrative expenses	13.	<u>-203,580</u>	<u>-169,225</u>
Operating profit		198,815	77,562
Net interest expense	14.	<u>-20,762</u>	<u>-10,124</u>
Profit before taxation		178,053	67,438
Income taxes	15.	-50,901	-7,314
Share in results of participating interests	3.	<u>319</u>	<u>239</u>
Net profit		127,471	60,363

Consolidated cash flow statement

(x EUR 1,000)

	2023	2022
Cash at bank and in hand at 1 January	400,393	372,637
Cash flow from operating activities	380,649	61,808
Cash flow from investing activities	-316,308	-186,565
Cash flow from financing activities	-83,902	143,257
Net cash flow	-19,561	18,500
Exchange and translation gains and losses	-2,362	9,256
Increase/(decrease) cash at bank and in hand	-21,923	27,756
Cash at bank and in hand at 31 December	378,470	400,393
Operating result	198,815	77,562
Adjusted for:		
Depreciation of tangible fixed assets	170,871	156,146
Amortisation of intangible fixed assets	8,715	9,263
Result on sale of participating interest	-	-7,152
Changes in working capital		
- Decrease/(increase) stock	-1,128	-7,609
- Decrease/(increase) receivables	-252,528	-27,429
- Increase/(decrease) work in progress	184,042	-148,052
- Increase/(decrease) other liabilities	122,606	44,052
	52,992	-139,039
Changes in provisions	-3,122	-8,750
Cash flow from business operations	428,271	88,030
Interest paid	-21,299	-9,158
Income tax paid	-26,323	-17,064
Cash flow from operating activities	380,649	61,808
Additions to intangible fixed assets	-1,408	-
Additions to tangible fixed assets	-297,911	-226,876
Divestments of tangible fixed assets	5,222	9,283
Investments in financial fixed assets	-22,530	-2,837
Receipts from financial fixed assets	319	33,865
Cash flow from investing activities	-316,308	-186,565
Dividend paid	-35,000	-
Repayment of loans	-152,167	-56,503
Proceeds from loans	103,265	199,760
Cash flow from financing activities	-83,902	143,257

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. The financial statements cover the financial year ending on 31 December 2023 and were prepared on 7 March 2024.

Reporting currency and functional currency

The financial statements are prepared and presented in euro (EUR), which is also 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. Group companies are legal entities and companies over which the group exercises control. 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. This means that the assets and liabilities and income and expenses are included in the financial statements in proportion to the shareholding and share in the results respectively. 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. This means that any assets acquired and liabilities assumed are carried at fair value as at the acquisition date based on the policies of Van Oord. The difference between the acquisition price and the fair value of all of the identifiable

assets acquired and liabilities assumed at acquisition date 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 income and expense items are translated at the exchange rates at the date of transactions, unless exchange rates fluctuate significantly during that period, in which case the average exchange rate for the period are used. 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 statutory reserves in shareholder's equity.

Accounting policies

Judgments, estimates, assumptions and uncertainties

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

- Tangible fixed assets
- Deferred tax assets
- Work in progress
- Provisions

At each reporting date the company assesses whether there are objective evidence that an asset or group of assets may be impaired. If any such indication exists, 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 5 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), and of the expected project expenses. 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 clients.

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 of the identifiable assets acquired and liabilities assumed determined in accordance with the Van Oord N.V. accounting policies. Goodwill is capitalised net of accumulated amortisation and, if applicable, impairment. Goodwill is amortised on a straight-line base on its expected useful economic life subject to a maximum of 20 years.

Tangible fixed assets

Tangible fixed assets are stated at the lower of cost and net realisable value, less straight-line depreciation and / or impairments of tangible fixed assets based on their expected useful economic lives as stated in the notes to the consolidated balance sheet. Investments made during the year are depreciated from the date of purchase insofar these have become operational. Retired tangible fixed assets are carried at the carrying amount or their net realisable value, whichever is lower. A tangible fixed asset is derecognised upon sale or when no further economic benefits are expected from its continued use or sale. The gain or losses arising on the disposal is taken to the profit and loss account. Costs for major maintenance 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 share in results of participating interests. Long-term receivables and cash at banks which is not expected to be at the group's free disposal for longer than 12 months 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 includes cash in hand, bank balances, notes and cheques and are carried at face value. It also includes deposits if these are effectively at the group's free disposal, even if interest income may be lost. Cash at bank and in hand not expected to be at the group's free disposal for longer than 12 months is classified under other financial fixed assets.

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.

Short-term and long-term liabilities

Short-term and 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 client.

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 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 2023 is 112.5% (113.2%). The guiding principle is that annual pension charges are equal to the pension contributions payable to the pension administrator. A liability is recognised insofar 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

Net 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.

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 client, 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 results of participating interests

The share in results 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. Interest received and paid, including the interest component of finance lease payments, and income tax received/paid are included under cash flows from operating activities. Dividend paid is presented as cash flow from financing activities. The purchase of group companies and proceeds from the sale of group companies are included under cash flow from investing activities, insofar as payment in cash has been made, net of cash held by the group companies in question.

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	2023	2022
Book value at 1 January	9,019	18,282
Goodwill paid	1,408	-
Amortisation	-8,715	-9,263
Book value at 31 December	<u>1,712</u>	<u>9,019</u>
Cost	150,754	149,346
Accumulated amortisation	<u>149,042</u>	<u>140,327</u>

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.

The amount of goodwill paid in 2023 is related to the acquisition in December 2023 of Delta Marine Consultants Singapore and Delta Marine Consultants Indonesia to further strengthen the company's engineering capabilities and enhance its local presence. The net assets of those companies as included in these financial statements are based on a provisional assessment of their fair value as the valuation for the assets acquired and the liabilities assumed is not yet finalised. The acquisition took place per 5 December 2023. Both entities have been acquired for 100% and the purchase price amounted EUR 1.4 million. The goodwill on this acquisition will be amortised over a period of 5 years.

2. Tangible fixed assets 2023	Land and buildings	Floating and other contracting equipment	Vehicles, fixtures and fittings	Assets under construction	Total
Book value at 1 January	71,306	1,244,710	23,168	486,687	1,825,871
Additions	16	9,559	2,573	205,488	217,636
Assets taken into operation and other changes	60	426,949	8,271	-435,474	-193
Disposals	-	-4,708	-86	-235	-5,029
Depreciation	-3,479	-158,897	-8,495	-	-170,871
Book value at 31 December	<u>67,903</u>	<u>1,517,613</u>	<u>25,431</u>	<u>256,466</u>	<u>1,867,414</u>
Costs	119,114	3,692,404	64,397	256,466	4,132,381
Accumulated depreciation	51,211	2,174,791	38,966	-	2,264,967
Depreciation period in years	8 - 25	4 - 20	5 - 10		

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		

Assets under construction are not depreciated. Upon first use, these assets are properly categorised and depreciated in accordance with the accounting policies stated above.

The insured value of tangible fixed assets at year-end 2023 amounted to EUR 3.9 billion (EUR 3.3 billion). As in previous years the company assessed whether as per 31 December 2023 there are objective indications that an asset or group of assets may be impaired. No triggers for impairment have been identified.

3. Financial fixed assets 2023	Participations	Loans	Deferred tax assets	Other	Total
Balance at 1 January	699	2,603	52,122	-	55,424
Capital contribution	722	-	-	-	722
Dividend received	-319	-	-	-	-319
Share in results of participating interests	319	-	-	-	319
New loans	-	7,708	-	-	7,708
Impairment of loans	-	-3,874	-	-	-3,874
Additions	-	-	6,331	-	6,331
Releases	-	-	-7,504	-	-7,504
Other changes	2	-168	4	14,100	13,938
Balance at 31 December	1,423	6,269	50,953	14,100	72,745

Financial fixed assets 2022

	Participations	Loans	Deferred tax assets	Total
Balance at 1 January	8,609	19,930	56,003	84,542
Capital contribution	179	-	-	179
Dividend received	-239	-	-	-239
Share in results of participating interests	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

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 2023 include positions of in total EUR 9.4 million (EUR 10.8 million) which are expected to be settled within one year.

The impairment of loans in 2022 and 2023 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.

Other financial fixed assets comprise of cash at banks, considered as trapped cash, which is not at the group's free disposal for longer than 12 months.

4. Receivables

	2023	2022
Trade debtors	414,160	202,995
Receivables related to income tax	42,202	23,261
Current receivables relating to other taxes	33,610	40,003
Other receivables	163,691	158,998
Prepayments and accrued income	70,061	32,201
	723,725	457,458

The increase in trade debtors in 2023 compared to 2022 is driven by the high revenue in Q4 2023. The total of the trade debtors is after deduction of a provision for bad debts of EUR 43 million (EUR 49 million).

5. Cash at bank and in hand

	2023	2022
Cash and bank	356,914	388,052
Deposit accounts	21,556	12,341
	378,470	400,393

Of the total of cash at bank and in hand at year-end 2023, EUR 37 million (EUR 50 million) relates to proportionally consolidated contracting consortiums and participating interests and EUR 1 million (EUR 15 million) is considered trapped cash.

Deposit accounts are immediately available to the company.

Liabilities

6. Shareholders' equity

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

	2023	2022
Shareholders' equity of Van Oord at 1 January	984,504	914,885
Consolidated profit attributable to Van Oord N.V.	127,471	60,363
Translation differences arising on foreign participating interests	- 2,362	9,256
Total direct changes in shareholders' equity of Van Oord N.V.	- 2,362	9,256
Total profit of the legal entity	125,109	69,619
Dividend	-35,000	-
Total changes in shareholders' equity	-35,000	-
Shareholders' equity of Van Oord at 31 December	1,074,613	984,504

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

7. Provisions

	1 January 2023	Addition	Utilisation	Release	Exchange differences	31 December 2023
Regular maintenance						
of fixed operating assets	81,010	160,841	137,658	17,668	-	86,525
Tax obligations	94,775	5,456	9,040	5,028	-373	85,791
Warranty obligations	35,403	8,100	5,752	2,000	-	35,751
	211,188	174,397	152,450	24,696	-373	208,067

The provision for regular maintenance of fixed operating assets is formed for costs of major 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. Short-term and 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 (RCF) has a principle amount of EUR 450 million, the maturity date is July 2026. At 31 December 2023 EUR 50 million (EUR 200 million) was drawn under the RCF. In 2020 Van Oord signed a Green Loan Framework of EUR 130 million of variable rate loans, all maturing in 2025. In 2022 the maturity date was extended 2 years to respectively May 2027 and July 2027. At year-end 2023 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 to extend with a maximum of 2 years. Consequently EUR 100 million is presented under short-term liabilities at year-end 2023. A Green Loan of EUR 104 million was secured from Export Finance Norway (Eksfin) related to the construction of the cable-laying vessel Calypso at the Vard Brattvaag shipyard in Norway. The amount has been fully drawn in August 2023. Repayment of the loan takes place over 12 years in quarterly instalments and EUR 8.7 million is presented under short-term liabilities at year-end 2023.

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 2023, 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 2023 was 3.4% (1.6%). The repayment of long term liabilities after 5 years until final maturity amounts to EUR 58 million (EUR 55 million). No direct security is provided for any of the loans.

9. Work in progress	2023	2022
Cost of work in progress, profit recognised, provision for expected losses	5,436,941	3,424,159
Realisable value of work completed	-5,699,818	-3,604,230
Advance payments received	-178,513	-77,277
	-441,390	-257,348
Of which presented as current assets	201,434	227,008
Of which presented as current liabilities	-642,824	-484,356
	-441,390	-257,348

10. Other liabilities	2023	2022
Trade creditors	182,745	174,833
Payables relating to income tax	98,886	57,204
Current payables relating to other taxes and social security contributions	47,870	23,874
Various other liabilities	84,371	66,701
Accruals and deferred income	440,545	457,527
	854,417	780,139

The increase in liabilities in relation to taxes and social security contributions is amongst others due to increased VAT payables, driven by the high revenue in Q4 2023, and higher corporate tax payables following improved results. Accruals and deferred income mainly concern accruals for project costs.

Financial instruments

General

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

Credit risk

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

Liquidity risk

The principle underlying liquidity risk management is that sufficient cash resources must be maintained or credit facilities 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 clients.

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 10 million (EUR 16 million) is included under other receivables at 31 December 2023, 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 Euribor (with a floor of 0%) plus margins of 25 to 190 bps. The Eksfin Green Loan has a fixed base rate and all-in interest ranges from 1% to 1.6% depending on the leverage ratio.

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 73% (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 2023 (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	0.3%	378,470	-	-	-	-	-	378,470
EU Private Placement (EUR)	2.0%	-	50,000	45,000	-	55,000	-	150,000
Revolving Credit Facility (EUR)	4.5%	-	-	50,000	-	-	-	50,000
Green Loan Framework (EUR)	4.0%	-	-	13,000	117,000	-	-	130,000
TLTRO Loan (EUR)	3.6%	100,000	-	-	-	-	-	100,000
Eksfin Green Loan (EUR)	1.2%	8,667	8,667	8,667	8,667	8,667	58,498	101,833
Capitalised financing costs (EUR)		-518	-222	-84	-61	-61	-396	-1,342
		108,149	58,445	116,583	125,606	63,606	58,102	530,491

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

(x EUR 1,000)	EU Private Placement	Revolving Credit Facility	Green Loan Framework	TLTRO Loan	Eksfin Green Loan	Capitalised financing costs	Total
Book value at 1 January 2023	150,000	200,000	130,000	100,000	-	-1,230	578,770
New loans	-	-	-	-	104,000	-	104,000
Repayment	-	-150,000	-	-	-2,167	-	-152,167
Amortisation and other movements	-	-	-	-	-	-112	-112
Book value at 31 December 2023	150,000	50,000	130,000	100,000	101,833	-1,342	530,491
Of which presented as long-term liabilities	150,000	50,000	130,000	-	93,166	-1,342	421,824
Of which presented as short-term liabilities	-	-	-	100,000	8,667	-	108,667
	150,000	50,000	130,000	100,000	101,833	-1,342	530,491

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 2023, the (nominal) amount of the forward exchange contracts at the forward rates was EUR 51 million (EUR 216 million). The (nominal) amount of the currencies to be received under these contracts at the exchange rates at 31 December 2023 was EUR 35 million (EUR 193 million).

Commitments, contingent assets and liabilities

Warranty commitments

The warranty commitments not included in the balance sheet amount to EUR 1,132 million (EUR 960 million) at year-end 2023. 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 25.8 million (EUR 21.3 million). An amount of EUR 12.0 million (EUR 9.6 million) will be paid in 2024. Total operational lease commitments amount to EUR 19.7 million (EUR 14.9 million), of which EUR 7.8 million (EUR 5.7 million) will be paid in 2024. Commitments with a term longer than 5 years amount to nil (nil).

Capital commitments

Commitments relating to investments in tangible fixed assets amount to EUR 319 million (EUR 263 million) at the balance sheet date. An amount of EUR 268 million will be paid in 2024. 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 management 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 2023, including the company's share of revenue generated by the consolidated consortiums (excluding value added tax), amounted to EUR 2,866 million (EUR 2,021 million).

Breakdown revenue by geographical area	2023		2022	
Netherlands	469,418	16%	585,698	29%
Rest of Europe	1,405,936	49%	852,159	42%
Rest of the world	991,006	35%	582,958	29%
	<u>2,866,360</u>	100%	<u>2,020,815</u>	100%

Breakdown revenue by business unit	2023		2022	
Dredging & Infra	1,441,888	50%	1,213,808	60%
Offshore Energy	1,424,472	50%	807,007	40%
	<u>2,866,360</u>	100%	<u>2,020,815</u>	100%

Wages and salaries

Wages, salaries, social security contributions and pension costs in 2023 for employees of Van Oord and its group companies amounted to EUR 395 million (EUR 310 million). This is related to an average of 3,971 (3,824) employees in full-time equivalents and can be broken down as follows:

	2023	2022
Wages and salaries	315,247	254,100
Social security contributions	38,462	28,824
Pension costs	<u>41,038</u>	<u>27,131</u>
	<u>394,747</u>	<u>310,055</u>

These costs only relate to employees on our own payrolls. 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 5.2 million (EUR 2.0 million):

- Supervisory Board EUR 0.5 million (EUR 0.4 million) and
- Statutory directors EUR 4.7 million (EUR 1.6 million), reflects an increase due to accruals for a long term incentive plan and an end-of-service compensation for the CEO relating to pension entitlements, partly offset by a decrease as Mrs. Poots-Bijl left the company as CFO per 31 July 2023 whilst her successor, Mrs. Otten, started 1 January 2024.

Breakdown of average number of employees	2023		2022	
(fulltime equivalents)				
Employed in the Netherlands	2,858	50%	2,468	48%
Employed outside the Netherlands	1,113	20%	1,356	26%
	<u>3,971</u>	70%	<u>3,824</u>	74%
Hired personnel	1,704	30%	1,355	26%
	<u>5,675</u>	100%	<u>5,179</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 human resources, 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 & compliance.

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.

In accordance with article 2:382a of the Dutch Civil Code the following table includes fees billed by Ernst & Young, The Netherlands and includes fees billed by our external independent auditor, Ernst & Young Accountants LLP, The Netherlands. The fees incurred for the below mentioned services are included in the Profit & Loss account on an accrual basis and presented under the General and administrative expenses.

Auditor fees and services	2023	2022
(x EUR million)		
Audit of financial statements	1.4	1.5
Other audit fees	0.1	0.1
Non-audit fees	0.1	-
	<u>1.6</u>	<u>1.6</u>

14. Net Interest expense

	2023	2022
Interest income	11,682	1,642
Interest expense	-32,444	-11,766
	<u>-20,762</u>	<u>-10,124</u>

The EU Private Placement and Eksfin Green Loan are 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. By means of an interest rate swap, the interest rate on the Green Loan Framework is made a fixed-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):

	2023	2022
Weighted average nominal tax rate	23.9%	22.4%
Tax implications of:		
Use of losses available for set-off not accounted for	-11.2%	-17.9%
Loss carry-forwards not accounted for	16.4%	9.9%
Tax-exempt profits	-7.9%	-21.6%
Non-deductible expenses	10.1%	33.6%
Amortisation of intangible fixed assets	1.3%	3.5%
Tax adjustments in respect of prior year(s)	0.7%	-26.2%
Movements in provisions	-4.8%	7.1%
Effective tax rate	<u>28.5%</u>	<u>10.8%</u>

Future loss relief corresponds to a tax amount of approximately EUR 85 million (EUR 76 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 81 million (EUR 73 million) can in principle be carried forward indefinitely. EUR 2 million (EUR 3 million) can in principle be carried forward 4 to 10 years. EUR 1 million can in principle be carried forward 1 to 3 years.

On 12 December 2022, the EU Member States reached an agreement to adopt the Minimum Taxation Directive which establishes a minimum effective tax rate of 15% for large corporate groups in the EU and implement Pillar Two of the OECD/G20 Global Agreement. This Directive is enacted into the Dutch national law by 31 December 2023. As such these rules will apply effectively per financial year 2024 to Van Oord and its wholly-owned group companies, regardless of whether the local jurisdiction has implemented the minimum effective tax. Once changes to the tax laws in jurisdictions in which Van Oord operates are enacted or substantively enacted, Van Oord may be subject to the additional top up tax to reach the minimum effective tax.

For the 2023 financial statements the company applied the mandatory exception of DAS 272 'The recognition of income taxes regarding 'Pillar Two model rules', as issued by the Dutch Accounting Standards Board (DASB), to not account for deferred tax effects of Pillar II.

Management is closely monitoring the impact of these new rules in each jurisdiction. Van Oord is still in the process of assessing the full potential exposure. The new rules are expected to have an impact on the tax position of the group, however, amongst others due to the significant fluctuation of projects in various jurisdictions and respective fiscal results of such projects, the company is yet not able to reasonably estimate the potential quantitative impact for 2024 and beyond.

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 2023	31 December 2022
Fixed assets			
Intangible fixed assets	a.	-	6,866
Financial fixed assets	b.	1,076,384	846,956
		<u>1,076,384</u>	<u>853,822</u>
Current assets			
Receivables		50	11
Amounts owed by group companies	c.	212,098	368,709
		<u>212,148</u>	<u>368,720</u>
Total assets		1,288,532	1,222,542
Shareholders' equity			
Paid-up and called-up share capital	d.	12,100	12,100
Share premium		270,400	270,400
Statutory reserves		-45,265	-42,902
Other reserves		709,907	684,543
Profit for the financial year		127,471	60,363
		<u>1,074,613</u>	<u>984,504</u>
Long-term loans from group companies	e.	194,300	194,300
Current liabilities			
Amounts owed to group companies		1,087	5,321
Other liabilities		18,532	38,417
		<u>18,532</u>	<u>43,738</u>
Total shareholders' equity and liabilities		1,288,532	1,222,542

Company profit and loss account

(x EUR 1,000)

	2023	2022
Profit of participating interests after taxation	141,772	72,251
Various income and expenses after taxation	<u>-14,301</u>	<u>-11,888</u>
Net profit	127,471	60,363

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 2023	6,866
Amortisation	-6,866
Book value at 31 December 2023	-
Cost	137,320
Accumulated amortisation	137,320
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 2023	602,608	194,300	50,048	846,956
Capital contribution	140,000	-	-	140,000
Dividend received	-50,000	-	-	-50,000
Share in results of participating interests	141,772	-	-	141,772
Translation differences of participating interests	-2,362	-	-	-2,362
Additions	-	-	5,967	5,967
Releases	-	-	-5,967	-5,967
Other changes	18	-	-	18
Book value at 31 December 2023	832,036	194,300	50,048	1,076,384

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.

c. Amounts owed by group companies

Amounts owed by group companies include EUR 211 million (EUR 366 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
2023						
Balance at 1 January	12,100	270,400	-42,903	684,544	60,363	984,504
Added to reserves	-	-	-	25,363	-25,363	-
Dividend paid	-	-	-	-	-35,000	-35,000
Translation differences of participating interests	-	-	-2,362	-	-	-2,362
Profit for the financial year	-	-	-	-	127,471	127,471
Balance at 31 December	12,100	270,400	-45,265	709,907	127,471	1,074,613

	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 of 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

The share premium is tax exempt.

Statutory reserves consist of a currency translation reserve participating interests of EUR -46.2 million (EUR -43.8 million) and a reserve for statutory reserves of participating interests of EUR 0.9 million (EUR 0.9 million).

Proposed appropriation

The proposed appropriation of the profit is as follows:

Proposed dividend on ordinary shares	53,735
Added to other reserves	73,736
Profit for the financial year	<u>127,471</u>

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, 7 March 2024

Supervisory Board

N.W. Hoek, Chairman
C.M. Insinger
J.H.R. Kretzers
J.M.J.A.P. Laurent Josi
I.A. Sevinga
J.M. Valkier
P.W. Verheul

Statutory Directors

P. van Oord, CEO
C.M. Otten, 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.’

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Other information

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About this report

Van Oord has reported on the state of affairs in the company and its subsidiaries in its 2023 Annual Report. The annual report is intended for all interested parties. In it, we report on the company's performance, its strategy and value creation, governance, financial results and non-financial indicators.

This annual report has been approved by the Supervisory Board and will be adopted by the shareholders on 11 April 2024. 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, Part 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: Greenhouse gas emissions expressed in tonnes of carbon dioxide equivalents. Concerns greenhouse gas emissions from fuel and electricity use in all equipment, flights, vehicles, offices and shipyards as well as supply chain emissions from purchased goods and services, transport and capital goods. These emissions fall under scope 1, scope 2 and upstream scope 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 Sustainability 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 2023 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 websites <https://annualreport.vanoord.com>, <https://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

Disclosure

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Energy and emissions performance



LNG trailing suction hopper dredger Vox Apolonia replenishing beaches in Lincolnshire UK in order to strengthen the coastline.

	2023	2022	2021	2020	2019
1 Energy consumption (x 1,000 MWh)					
1.1 Total energy consumption	2,219.3	1,815.5	1,470.8	1,736.0	1,940.2
1.1 Fuel energy	2,210.6	1,806.9	1,462.7	1,726.9	1,931.7
1.1 – Of which residual (fossil)	504.0	301.3	333.6	383.1	766.0
1.1 – Of which distillate (fossil)	1,535.0	1,413.6	1,080.6	1,330.0	1,159.1
1.1 – Of which natural gas / LNG (fossil)	147.8	14.3	3.0	2.9	1.9
1.2 – Of which renewable (bio)	23.8	77.8	45.6	10.9	4.7
1.2 – Share of renewable fuels in fuel mix	1.1%	4.3%	3.1%	0.6%	0.2%
1.1 Electricity	8.7	8.6	8.0	9.1	8.5
1.1 – Of which unspecified	3.0	2.6	2.7	3.7	3.4
1.3 – Renewable electricity	5.7	5.9	5.3	5.4	5.2
1.3 – Share of renewable electricity in total electricity consumption	65.7%	69.4%	66.3%	59.6%	60.5%
1.4 On-site renewable generation	1.0	1.1	1.0	0.1	0.0
2 Greenhouse gas emissions (x 1,000 tonnes of CO₂e)					
2.1 All scopes total	2,714.1	1,578.5**	1,579.6**	1,624.0**	1,858.4**
2.2 Scope 1 (TTW)	602.6*	475.3	390.1	472.2	534.3
2.2 – Of which carbon dioxide (CO ₂)	582.4	467.6	384.3	465.2	526.5
2.2 – Of which methane (CH ₄)	11.7	0.8	0.3	0.3	0.3
2.2 – Of which nitrous oxide (N ₂ O)	8.5	6.9	5.6	6.6	7.5
2.3 Scope 2 Location-based	3.5*	3.8	3.6	4.2	4.3
2.4 Scope 2 Market-based	1.8*	1.6	1.6	2.2	2.0
2.5 Scope 3 Upstream	2,109.6*	1,101.7**	1,187.8**	1,149.6**	1,322.0**
2.5 – Of which cat. 1 Purchased goods and services	1,887.7***	959.3***	1,084.3***	1,008.0***	1,191.8***
2.5 – Of which cat. 2 Capital goods	46.9***	15.2***	1.9***	27.5***	0.0***
2.5 – Of which cat. 3 Fuel- and energy related activities (WTT)	137.0	107.8	87.7	104.8	110.7
2.5 – Of which cat. 4 Upstream transport and distribution	17.4***	9.2***	7.2***	4.1***	6.0***
2.5 – Of which cat. 6 Business travel	19.4	8.9**	5.6**	4.2**	12.3**
2.5 – Of which cat. 7 Employee commuting	1.3***	1.2***	1.1***	1.0***	1.2***
2.6 Fuel-related (WTW)	739.6	583.1	477.8	577.0	645.1
3 Other emissions to air (x 1,000 tonnes)					
3.1 Biogenic CO ₂	6.5	21.2	12.2	2.9	1.3
3.2 Black carbon (in CO ₂ e)	50.1	41.0	34.9	40.9	52.7
3.3 Nitrogen oxides (NO _x)	10.0	8.7**	7.1**	8.6**	9.8**
3.4 Sulphur oxides (SO _x)	0.5	0.4	0.4	0.4	3.1
3.5 Particulate matter (PM ₁₀)	0.5	0.3	0.3	0.4	0.8
3.5 Particulate matter (PM _{2.5})	0.4	0.3	0.3	0.3	0.7
3.6 Carbon monoxide (CO)	0.2	0.1	0.1	0.1	0.2
3.7 Non-methane volatile organic compounds (NMVOC)	0.5	0.4	0.3	0.4	0.5

* Assured values, see page 145 for details.

** Restated values compared to prior reporting, see page 138 for details.

*** Scope 3 categories that were included in 2023 and not reported yet in prior annual reports.

Due to rounding, energy and emissions figures presented throughout this report may not add up precisely to the totals provided.

Basis of reporting

Reporting period

Van Oord environmental performance data reporting covers the period from 1 January 2023 to 31 December 2023.

Scope and consolidation

Energy and emissions performance data follows the financial control approach. Thus, the accounts include consolidated data from Van Oord N.V. 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 this central reporting method has the following implications:

- Owned vessels that are temporarily leased-out (e.g.: operating under charter agreements) are included in scope 1;
- Non-owned vessels (e.g.: hired/subcontracted/ JV-partner owned) that operate on projects that Van Oord (jointly) executes are not included in scope 1, but incorporated in scope 3 category 1.

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 to scopes 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 indirect value chain emissions (scope 3). An exception is made for lease-cars which are - while not financially owned - allocated under scope 1 in line with national reporting practices.

Changes affecting energy and emissions performance data

During 2023, changes were prepared with regards to energy and emissions performance data. The changes mentioned in the following paragraphs are applied to this annual report's dataset in order to improve transparency and completeness.

Changes to conversion factors: In prior annual reports, the GHG emissions related to air travel (Scope 3 - Category 6 - Business travel) were calculated using tank-to-wake emission factors. This has been expanded to also include well-to-tank emissions resulting in slightly higher reported emissions. With this change, all transport related emissions in scope 3 are now calculated using the well-to-wake / well-to-wheel approaches. In prior reports, NO_x emission factors were fixed per fuel type. These emission factors have been improved and refined to represent vessel-specific performance and thereby accuracy.

Improved completeness of scope 3: The annual report of 2022 included two upstream scope 3 categories which were category 3 - Fuel- and energy-related activities, category 6 - Business travel. This has been expanded with 4 additional upstream categories: Category 1 - Purchased goods and services, Category 2 - Capital goods, Category 4 - Upstream transport and distribution and Category 7 - Employee commuting. With this change, the completeness of applicable and significant scope 3 categories - which we have a reasonable degree of control over - has improved materially. This also results in much higher scope 3 upstream emissions and all scopes total emissions leading to restatements of these sums for prior years (see below).

Restatements: Above mentioned improvements and changes triggered the need to recalculate our base year (2019) in line with our restatement policy. Restatements of the base year are always triggered by changes in organisational boundaries (not applicable in 2023). Improvements in completeness (such as additions of new scope 3 categories) calculation methods, conversion factors or detection of errors trigger recalculation of the base year if the cumulative effect is $\geq 5\%$ of the base year value (applicable in 2023). For consistency, the affected emissions values were restated for all presented years (2019 - 2022). Restated values are marked with a **.

New indicators: The indicator set was expanded to cover carbon monoxide (CO) and non-methane volatile organic compounds (NMVOC). Data on particulate matter emissions have been split into PM₁₀ and PM_{2.5}.

Verification: All items marked with a * have been independently verified with limited assurance.

Methodologies and sources

1 Energy consumption

1.1 (Total) energy consumption

Energy consumption figures are calculated from measured fuel consumption of owned assets (internal data sources) and gauged or billed electricity consumption of offices and yards. Energy from fuels is 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 from 2020 respectively. Electricity consumption figures represent gross grid imports (i.e.: without subtracting any exports to the grid of renewable electricity generated on site).

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. It excludes self-consumption of on-site renewable generation (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 All scopes total

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

2.2 Scope 1 (TTW)

Scope 1 emissions include carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) are calculated from measured fuel consumption (internal data sources) of owned assets and lease-cars. 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 biofuels, 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 Scope 2 Location based

Scope 2 emissions are calculated from gauged or billed electricity consumption of Van Oord's offices and yards globally. The most recent location-based emission factors (CO₂ only) were sourced from the Association of Issuing Bodies for European locations and climate-transparency.org – or relevant country authorities – for remaining locations.

2.4 Scope 2 Market based

All electricity 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. Purchased GOs are predominantly linked to onshore and offshore wind generators. For electricity not covered by such attributes, the residual mix or location-based emission factors are used (CO₂ only). The most recent 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 Scope 3 Upstream (total)

Out of the 8 upstream scope 3 categories defined in the GHG protocol, 6 categories are identified as applicable for Van Oord's business and supporting activities. These are calculated as follows:

- Cat. 1 – Purchased goods and services: Calculated using a hybrid method with the following order of preference for data sources / methods according to availability: 1) Supplier-specific absolute emissions reported to Van Oord through CDP or otherwise; 2) Supplier-specific emission factors multiplied by activity data; 3) Financial spend multiplied by a supplier-specific CO₂e-intensity of revenue; 4) Financial spend multiplied by the global mean or median CO₂e-intensity of revenue per economic activity sourced from CDP's most recent emission factor database. For the final year (2023), mostly method 4 was used and to a lesser extend methods 1 and 2. Each approach covers cradle-to-gate emissions. Financial spend data is sourced from an internal database.
- Cat. 2 – Capital goods: Based on the Light Ship Weight of invested or acquired vessels multiplied by emission factors for crude steel from the World Steel Association. Each vessel's emissions are reported in the year of 1st deployment.

- Cat. 3 – Fuel- and energy-related activities: Based on fuel consumption data also used for scope 1 multiplied by well-to-tank factors per fuel type. Factors are 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. 4 – Upstream transport and distribution: Based on the same approach used for cat. 1.
- Cat. 6 – Business travel: Covers both air travel and the use of private cars for business travel. Air travel emissions are calculated using distance and cabin type data multiplied by emission factors from UK's BEIS / DEFRA. Emissions from private cars are based on expense declarations for business travel multiplied with emission factors from the government of the Netherlands (www.CO2emissiefactoren.nl).
- Cat. 7 – Employee commuting: Covers all modes of transport used by employees. Calculated using distance and travel mode data multiplied by emission factors from the government of the Netherlands (www.CO2emissiefactoren.nl).

Our insights into scope 3 data are constantly evolving and we strive to provide more accurate and complete data going forward. Regarding downstream scope 3 categories, we have until now concluded that these are not relevant due to criteria of applicability, estimated significance and the level of influence that Van Oord holds over these emissions.

2.6 Fuel-related emissions (WTW)

Well-to-Wake emissions comprise the full lifecycle emissions of all fuels consumed. It is calculated by summing the emissions of scope 1 (2.2) and scope 3 cat. 3 Fuel- and energy-related activities (2.5). Pending validation of our targets by SBTi, these fuel-related emissions will be covered under our proposed Maritime SBTi target.

3 Other air emissions (TTW)

3.1 Biogenic CO₂

Biogenic CO₂ emissions from biofuel combustion are reported separately from the scopes. Figures are calculated based on total biofuel consumption and the carbon content of biofuels. The carbon content was sourced from JEC's Well-to-Wake study 2020.

3.2 Black carbon (BC)

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)

NO_x emissions are calculated using fuel type and fuel consumption data combined with vessel-specific NO_x emission factors. The latter are sourced from each vessel's Engine International Air Pollution Prevention Certificates.

3.4 Sulphur oxides (SO_x) emissions

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

3.5 Particulate matter (PM₁₀ and PM_{2.5})

PM emissions are calculated using fuel consumption data and formulae / emission factors from IMO's 4th Greenhouse gas study 2020. For liquid fuels the method means that particulate emission factors are based on measured long term average values of sulphur content of relevant fuel types bunkered by Van Oord.

3.6 Carbon monoxide (CO)

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

3.7 Non-methane volatile organic compounds (NMVOC)

NMVOC emissions are calculated using fuel consumption data and 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 2023 included in the annual report

Our opinion

We have audited the financial statements 2023 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 2023 and of its result for 2023 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 2023
- The consolidated and company profit and loss account for 2023
- 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' section 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.

We addressed the risks related to management override of controls, as this risk is present in all companies. 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, business unit

(finance) directors and controllers, project managers and controllers and employees from the staff, legal and contract departments

- We performed (online) site visits
- We performed analytical procedures, including back-testing on (expected) project results
- 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 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 assess 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. There are (remaining) risks inherent to working with agents as disclosed 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, 7 March 2024

Ernst & Young Accountants LLP

W.P. de Pater

Limited assurance report

of the independent auditor on selected information

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 “Stakeholders and materiality matrix” in the accompanying annual report for the year 2023 (hereinafter: the selected information) of Van Oord N.V. at Rotterdam.

Based on our procedures performed and the assurance information obtained, nothing has come to our attention that causes us to believe that the selected information is not prepared, in all material respects, in accordance with the applicable criteria as included in the section “Criteria”.

The selected indicators consist of:

- Total installed renewable energy capacity (annual & cumulative), as stated on page 60
- Number of suppliers assessed by Van Oord on Environmental, Social and Corporate Governance risks, as stated on page 60
- Number of spills with significant environmental impact, as stated on page 60
- Scope 1 Greenhouse gas emissions (Tonnes CO₂e), as stated on page 137
- Scope 2 Greenhouse gas emissions (Tonnes CO₂e), as stated on page 137
- Scope 3 Upstream Greenhouse gas emissions (Tonnes CO₂e), as stated on page 137
- Percentage and number of tenders which have followed the ESG due diligence, as stated on page 60
- Lost Time Injury Frequency Rate (LTIFR), as stated on page 51
- Total Recordable Injury Rate (TRIR), as stated on page 51

Basis for our conclusion

We have performed our limited assurance engagement on the selected information 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 in this regard are further described in the section “Our responsibilities for the assurance engagement on the selected information” 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 for Professional Accountants).

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

Criteria

The criteria applied for the preparation of the selected information are the criteria developed by Van Oord N.V. and are disclosed in section “About this report” of the annual report.

The comparability of selected information between entities and over time may be affected by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques.

Consequently, the selected information needs to be read and understood together with the criteria applied.

Corresponding information not assured

The selected indicator “Scope 3 Upstream Greenhouse gas emissions (Tonnes CO₂e)” for the period 2019 up to 2022 have not been part of an assurance engagement due to the inclusion of below categories under Scope 3 Upstream Green house gas emissions (Tonnes CO₂e), which we did not provide assurance in the previous years:

- Category 1 Purchased goods and services
- Category 2 Capital goods
- Category 4 Upstream transport and distribution
- Category 7 Employee commuting

Consequently, the corresponding selected indicators and thereto related disclosures for the period 2019 up to 2022 are

not assured. Our conclusion is not modified in respect of this matter.

Limitations to the scope of our assurance engagement

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

The selected information includes prospective information such as ambitions, strategy, plans, expectations and estimates. Prospective information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the assumptions and achievability of this prospective information.

In the selected indicators, the calculations to determine Scope 3 Upstream Greenhouse gas emissions (Tonnes CO₂e) are mostly based on assumptions and sources from third parties. The assumptions and sources used are disclosed in chapter Energy and emissions performance, section Basis of reporting of the Annual Report. We have assessed that these assumptions and external sources are plausible and appropriate, but we have not performed procedures on the content of these assumptions and external sources.

The references to external sources or websites are not part of our assurance engagement on the selected information. 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 information

The management board is responsible for the preparation of the selected information in accordance with the criteria as included in the section "Criteria". The management board is also responsible for selecting and applying the criteria and for determining that these criteria are suitable for the legitimate information needs of the intended users, considering applicable law and regulations related to reporting. The choices made by the management board regarding the scope of the selected information 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 information that is free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the assurance engagement on the selected information

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

Our assurance engagement is aimed to obtain a limited level of assurance to determine the plausibility of the selected information. The procedures 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 that is obtained when a reasonable assurance engagement is performed.

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, regulations for quality management systems) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our assurance engagement included amongst others:

- Performing an analysis of the external environment and obtaining an understanding of the sector, insight into relevant sustainability themes and issues and the characteristics of the company as far as relevant to the selected information
- Evaluating the appropriateness of the criteria applied, their consistent application and related disclosures on the selected information. This includes the evaluation of the reasonableness of estimates made by the management board
- Obtaining through inquiries a general understanding of the internal control environment, the reporting processes, the information systems and the entity's risk assessment process relevant to the preparation of the selected information, without obtaining assurance information about the implementation or testing the operating effectiveness of controls
- Identifying areas of the selected information where misleading or unbalanced information or a material misstatement, whether due to fraud or error, is likely to arise. Designing and performing further assurance procedures aimed at determining the plausibility of the selected information responsive to this risk analysis. These procedures consisted amongst others of:
 - Making inquiries of management and relevant staff at

corporate level responsible for the sustainability strategy, policy and results relating to the selected information

- Interviewing relevant staff responsible for providing the information for, carrying out controls on, and consolidating the data in the selected information
- Assessing the suitability and plausibility of assumptions and sources from third parties used for the calculation underlying the Scope 3 Upstream Greenhouse gas emissions (Tonnes CO₂e as included in chapter Energy and emissions performance, section Basis of reporting of annual report.
- Obtaining assurance evidence that the selected information reconciles with underlying records of Van Oord N.V.
- Reviewing, on a limited sample basis, relevant internal and external documentation
- Considering the data and trends
- Reading the information in the annual report that is not included in the scope of our assurance engagement to identify material inconsistencies, if any, with the selected information
- Considering whether the selected information is presented and disclosed free from material misstatement in accordance with the criteria applied.

Rotterdam, 7 March 2024

Ernst & Young Accountants LLP

A.A. Kuijpers

Expanding our track record
in offshore wind outside
of Europe.



Van Oord's offshore installation vessel Aeolus installed 12 turbines at the South Fork offshore wind farm. The first offshore wind project in the US State of New York.

Definitions

Financial terms

Amortisation: Depreciation of intangible fixed assets such as goodwill.

Audit & Risk 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, risk management and compliance.

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 Part 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 current 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

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 capture and storage (CCS): Capturing harmful CO₂ emissions from industrial processes at their source and transporting and storing emissions to prevent their release into the atmosphere.

Carbon footprint: Greenhouse gas emissions expressed in tonnes of carbon dioxide equivalents. Concerns greenhouse gas emissions from fuel and electricity use in all equipment, flights, vehicles, offices and shipyards as well as supply chain emissions from purchased goods and services, production and refining of used fuels, upstream transport/distribution and capital goods. These emissions fall under scope 1, scope 2 and upstream scope 3 emissions as defined in the Greenhouse Gas Protocol.

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, minimising 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 Organisations of the Treadway Commission.

CSRD: Corporate Sustainability Reporting Directive, the new EU rules imposed on large companies and listed companies concerning the reporting on environmental and social information.

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.

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: Occupancy of equipment related to project execution in number of working weeks per year (weighted average). This number includes cold stacked equipment.

Fleet efficiency: Modelled energy efficiency coefficient of vessels and other 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 equipment, leased vehicles, offices and shipyards.

GHG and air emissions: Emissions to air of greenhouse gases such as carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) as well as pollutant emissions such as nitrogen oxides (NO_x), sulphur oxides (SO_x) and particulate matter (PM).

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.

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).

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.

Top management: Members of leadership teams and department directors from H Grades 13 and up.

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.

Repositioning: The repositioning of the Dredging and Netherlands business units as Dredging & Infra and the Offshore Wind and Offshore business units as Offshore Energy in order to align Van Oord's organisational structure with its core markets.

Responsible business conduct: 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.

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 greenhouse gas emissions from purchased electricity used primarily to power support services such as offices, yards and electric vehicles.

Scope 3 upstream emissions: Value chain greenhouse gas emissions, such as emissions from purchased goods and services, production and refining of used fuels, upstream transport/distribution and capital goods.

Sea Water Air Cooling (SWAC): The use of cold seawater as a natural and sustainable cooling solutions.

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 management/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 and environmental issues.

Sustainable financing: The current societal pressures on financing and export credit agencies to limit business support only to investments/projects that are considered 'green,' such as renewable energy, climate adaptation and mitigation, water management or protection of biodiversity and landscapes.

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

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 work-related injuries per 200,000 hours worked by workers on Van Oord's payroll or hired in from other companies, based on 2,693 hours per FTE; based on compulsory notifications by projects, fleet, offices and yards to the QHSE department. Recordable 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.

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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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 A. Frijns-Schilder, **T** +31 88 8260000. You will receive a response within 10 working days.

We create a better world for future generations

by delivering Marine ingenuity