











VolkerWessels

Sustainability Report 2015

Table of Contents

Foreword	3	Sustainability themes	External Review Committee	51
Summary		 Safety		
Economic results	5	 Raw materials		
Social results	6	 Employment	About this report	
Environmental results	7	 CO ₂ and energy	About this report	58
VolkerWessels		 Public liaison management	Assurance	61
Profile and external environment	9	 Biodiversity	Annex sustainability figures	62
From vision to impact	13	 Integrity	Definitions	66
		 Quality of life	Colophon	71

On the previous page:
The new stretch of the A4, opened in December 2015, which improves the link between The Hague and Rotterdam, is the best integrated stretch of motorway in the Netherlands. From Delft the road slowly disappears from sight as it gradually sinks before entering a tunnel at Schiedam. Low-noise asphalt, sound barriers and sound-absorbing material at the entrance to the tunnel keep noise nuisance to a minimum. For continuity of the ecological structure over the highway, an eco aqueduct has been constructed.

Foreword

On behalf of the Board of Management

Last January five experts from different disciplines came to cross-examine us during our CSR Platform. We had invited them to look into how we can improve our concept of 'quality of life'. At VolkerWessels we believe that companies that improve citizens' quality of life are ultimately the most successful.

But what do we mean by quality of life? Who are we to claim we understand this? The experts arrived to help us answer these questions.

For the same reason we are also working with 'De Groene Zaak', a network for sustainable companies. In 2015 we therefore organised our first dialogue with end users. This is also the reason why we join the Sustainability Challenge each year. Last year this involved a few months discussing the Smart City of the future with students.

Our sustainability policy starts and ends with the quality of life of the end user. A policy aimed only at reducing unwanted secondary effects is visionless. Of course safety on the construction site is part of our policy, as are improving waste separation and reducing CO₂ emissions. But these are instruments in a greater dominating whole: working together to create a better quality of life.

We seek to add quality for the end user. Not the housing corporations, but the residents. Not the highways authority, but the road users. Not a telecom company, but the people needing connectivity.

How can we know whether we are succeeding in this? We have started the cultural change to measure not only financial, but also social returns. In 2015 we developed a strategy for monitoring social return in the short, medium and long terms.

In the long term, for example, we do this by conducting continuous research into the quality of life. We have increasingly good contact with stakeholders and, as mentioned opposite, other social sectors such as science. We track trends such as climate change, the increasing scarcity of resources and the retreating government. We translate these trends into our objectives.

In the medium term we monitor by formulating hard, comprehensive targets for 2020. For example CO₂ reductions, increased use of circular resources, employing more people who are disadvantaged on the labour market and, finally, a safer working environment. In the short term we pursue targets for 2020 by discussing the progress of the above four issues every three months with the managements our more than 120 operating

companies. In 2016 we are starting an internal communication campaign: how can each employee contribute to a better quality of life? By sharing knowledge, for example on about waste separation, within our group, all our operating companies profit. Although the results of the above four themes are on schedule, we want to do more in some areas. After the initial rapid progress, increases in the waste separation percentage have stalled slightly. Neither have we succeeded in developing a uniform system for the sustainable employment of people with a disadvantage on the labour market in the construction sector.

Finally, here are some achievements we can be proud of. We ended first in the Forest 50: the league table of FSC Netherlands ranking of Dutch construction companies in relation to their use of sustainable wood. The sustainable asphalt we produced, recycled ZOAB (very porous asphalt concrete), has been certified by Rijkswaterstaat.

And in 2015 we organised our first end user dialogue. This inspires confidence in our ability to realise our sustainability vision 'Work together to realise a better quality of life'.

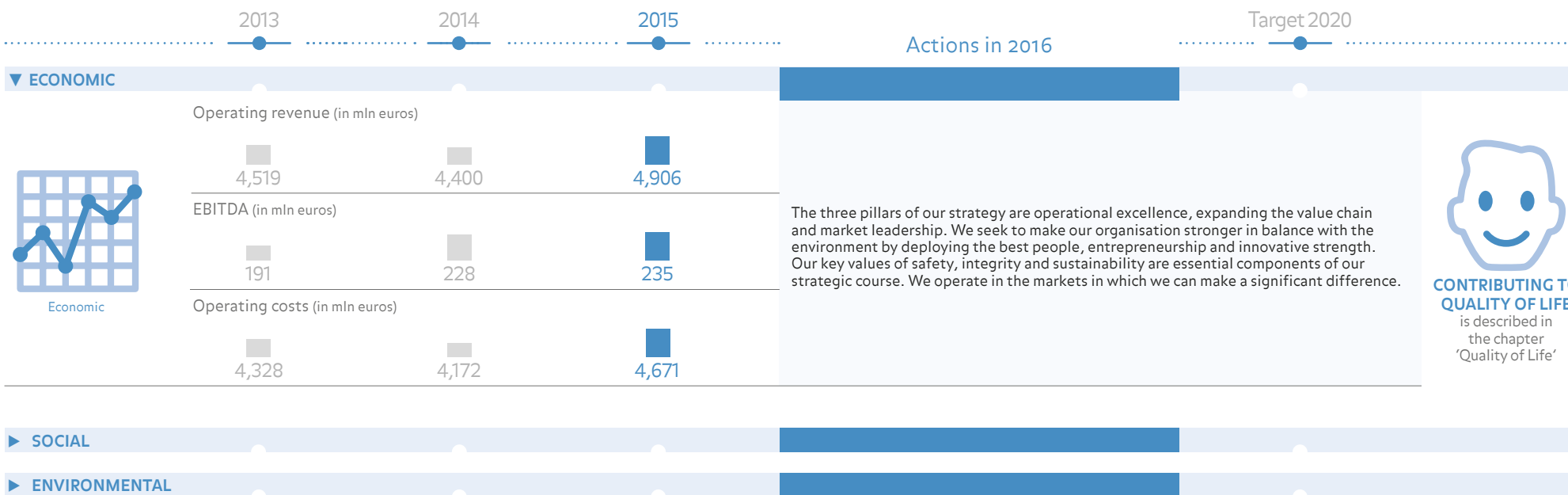
VolkerWessels Board of Management

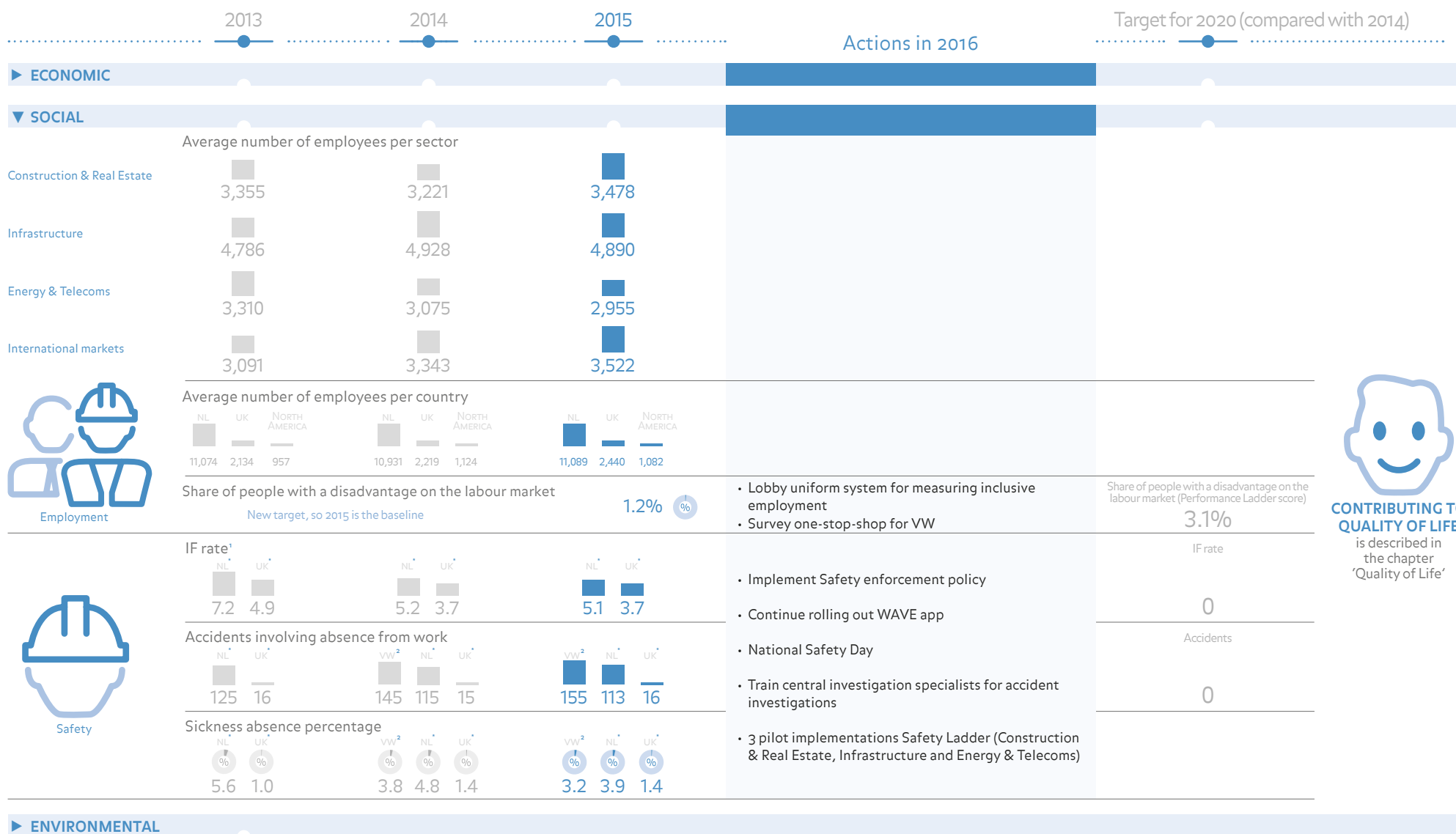
D. Boers
H.J. van der Kamp
J.G. van Rooijen
A. Vos



Summary

- 5 Economic results
- 6 Social results
- 7 Environmental results


















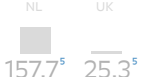
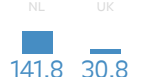



CONTRIBUTING TO QUALITY OF LIFE
 is described in the chapter 'Quality of Life'

¹ KPMG has granted assurance for these values.

¹ This year extra attention was given to registering hired workers. As a result, the number of available hours has gone up. Some of our companies calculate their health & safety figures in line with working days rather than calendar days. We have made an impact analysis of the maximum deviation this causes in the figures. It emerges that this is not significant.

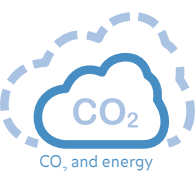
² Including North America.

Summary

	2013	2014	2015	Actions in 2016	Target for 2020 (compared with 2014)											
<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p>► ECONOMIC</p> <p>► SOCIAL</p> <p>▼ ENVIRONMENTAL</p> </div> <div style="width: 40%; text-align: center;"> <p>Actions in 2016</p> </div> <div style="width: 30%; text-align: right;"> <p>Target for 2020 (compared with 2014)</p> </div> </div>																
 <p>Resources</p>	Use of sustainable wood	 70%	 92%	 97%	<ul style="list-style-type: none"> Continue to monitor purchase of wood centrally Identify the last problems preventing the purchase of only sustainable wood 	Sustainable wood	100%									
	Waste volume (in tonnes) ¹				<ul style="list-style-type: none"> Include waste figures in quarterly meetings between operating companies and the Board of Management 	Waste per euro turnover	-25%									
	Separation percentage ²	 70.9	 65.0 ⁴	 64.8	<ul style="list-style-type: none"> Focus on separation percentage through quarterly meetings 	Waste separation	100%									
	Recycling percentage	New target, so 2015 is the baseline ²		 89	<ul style="list-style-type: none"> Focus on separation for recycling through quarterly meetings Increase internal reuse of resources 	Recycling	97% ³									
	Purchase of primary resources (steel-concrete-wood-asphalt)	New target – reporting starts from 2016 ¹		 100%	<ul style="list-style-type: none"> Start programmes at particular companies Readiness assessment monitoring figures⁶ 	<table border="1"> <tr> <th>wood</th> <th>steel</th> <th>concrete</th> <th>asphalt</th> </tr> <tr> <td>-25%</td> <td>-25%</td> <td>-25%</td> <td>-10%</td> </tr> </table>	wood	steel	concrete	asphalt	-25%	-25%	-25%	-10%	Primary resources	
	wood	steel	concrete	asphalt												
	-25%	-25%	-25%	-10%												
	CO ₂ Footprint scopes 1 and 2 (in kilotonnes) ⁵				<ul style="list-style-type: none"> Continuous improvement programmes for each operating company Focus on CO₂ figures in quarterly meetings 	CO ₂ reduction per euro turnover	-10%									
	Scope 3 emission: concrete, steel and asphalt products	New target – reporting starts from 2016 ¹		 100%	<ul style="list-style-type: none"> Start programmes at particular companies Readiness assessment monitoring figures⁶ 	CO ₂ reduction in the concrete, steel and asphalt chain per euro turnover	-5%									
	Energy-neutral homes	New target, so 2015 is the baseline		 448	<ul style="list-style-type: none"> Construct 600 energy-neutral homes Concretise contribution of MorgenWonen to quality of life 	Energy-neutral homes	2,000/year									



CONTRIBUTING TO QUALITY OF LIFE
is described in the chapter 'Quality of Life'



¹ KPMG has granted assurance for these values.

² These targets have a different base year: 2015 instead of 2014.

³ The target is 97% and not 100%, because some materials, such as material containing tar, can or may not be recycled.

⁴ 2014 waste figures have been adjusted upwards compared with the previous publication to enhanced insights. In the UK this has led to a significant increase (more than 9%); in the Netherlands the increase is small and not significant.

⁵ The separation rate in 2014 has been recalculated based on all waste flows in accordance with the method applied in 2015. Previously only SITA information was used for this.

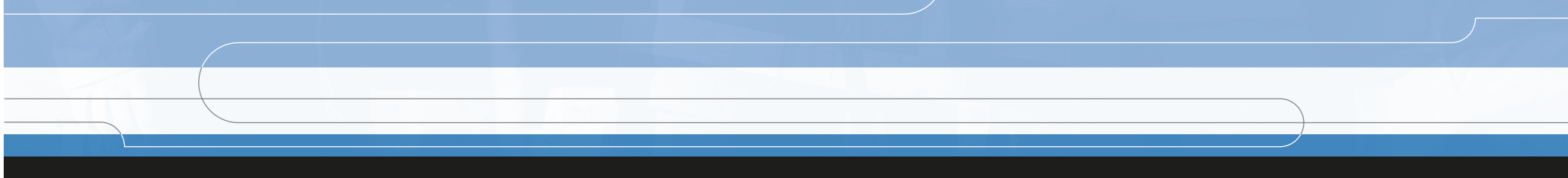
⁶ The CO₂ emission in 2013 and 2014 has been recalculated further to the new CO₂ emission factors in the CO₂ Performance Ladder 3.0 Handbook, as a result of which these figures are slightly lower than previously reported.

⁷ A Readiness Assessment evaluates the robustness of information on our achievements with the ultimate aim of getting assurance for these. The Readiness Assessment gives us a good picture of what we still have to improve to achieve this in the next year, both with regard to the purchase of primary resources and the related Scope 3 emissions.



VolkerWessels

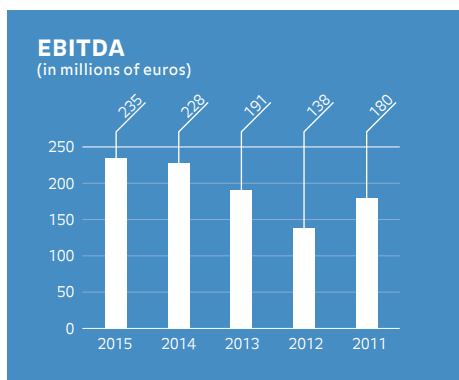
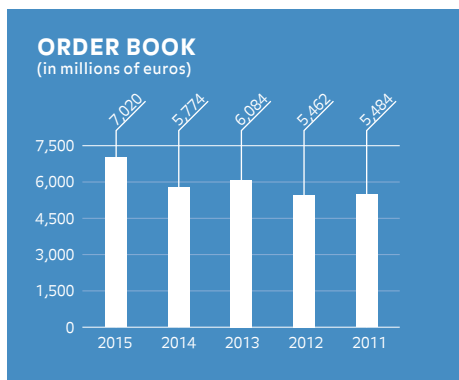
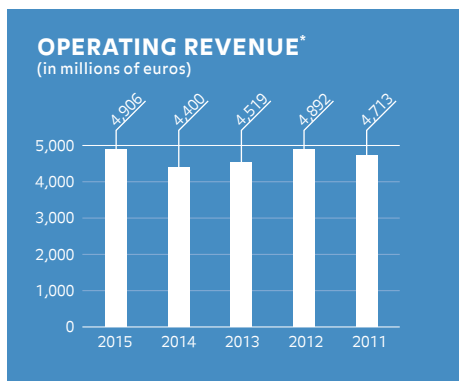
- 9 Profile and external environment
- 13 From vision to impact



Profile and external environment

Enthusiastic and skilled colleagues, entrepreneurship and innovative strength. With these features and our core values of safety, integrity and sustainability as preconditions, we create value for all our stakeholders.

Approximately 15,000 colleagues in more than 100 companies from the Netherlands, the United Kingdom, North America make up VolkerWessels. We operate in three market sectors: Construction & Real Estate, Infrastructure, and Energy & Telecoms. We develop, design, construct, finance, manage and operate for all our stakeholders: our clients, employees, shareholders, suppliers and society at large.



Major customers

Construction & Real Estate

- Housing corporations
- Real estate managers
- Project developers
- Private parties

Infrastructure

- National government
- Decentralised government authorities
- Rail, road and waterway authorities

Energy & Telecoms

- Energy and network companies
- Industry
- Telecom providers

Major suppliers

Project level

- Resources and building materials
- Subcontracting
- Construction Equipment
- Waste treatment
- Logistics

Company level

- Mobility
- Energy
- Commercial services

* Our activities in the United States and Canada are not part of this report and are not considered further. For more information, see the section 'About this report'. The 2015, 2014 and 2013 figures are in compliance with NL GAAP. For comparison purposes, 2013 was converted from IFRS to NL GAAP. The 2011-2012 figures are in compliance with IFRS. The 2012 figures are excluding impairments.

Our external environment

The world around us is in motion. Society is changing ever faster. These changes are taking place on a bigger and bigger scale and are shifting from local to global. We are also affected by this dynamic environment: we are faced with challenges in the form of external risks, which might form a risk to the continuity of our group. At the same time, these changes also provide us with opportunities. Opportunities to meet changing needs with new products, services and partnerships and thus contribute to quality of life.

To make the most of these opportunities and to reduce the impact of the risks, VolkerWessels focuses on innovative solutions that add positive value to society. We seek to balance the economic, social and environmental values we can create with our products. This requires us to think ahead and actively consult our stakeholders and society. This allows us to gain more insight into our influence and continue to improve our performance.

What does this mean for our sector?

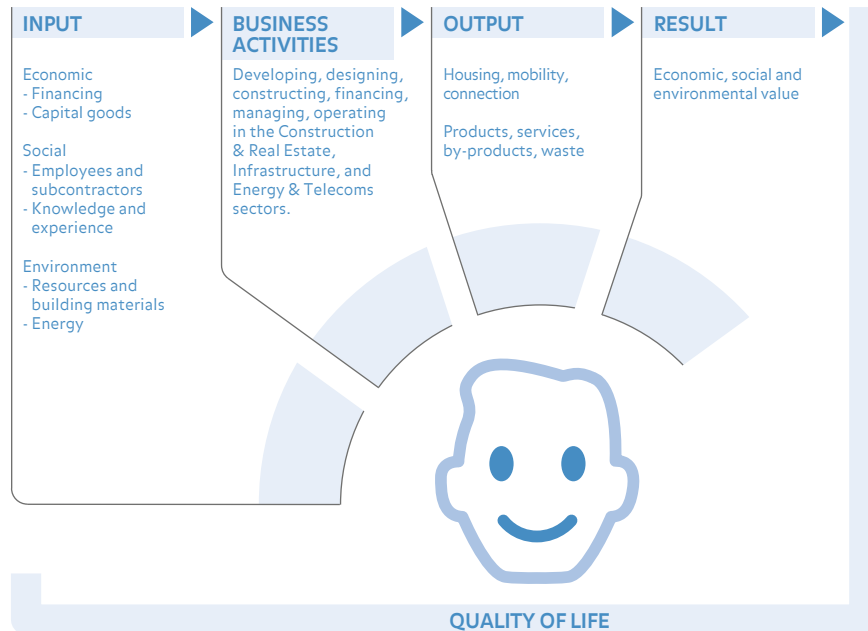
Given the challenging market conditions in some sectors, our expectations remain cautiously positive. Due to changing procurement legislation, in addition to price, quality plays a growing role in the procurement process. VolkerWessels wants to continue to make a difference as regards quality and stand out with smart, innovative and sustainable solutions, even in difficult markets. Increasing pressure on the urban area, the impact of this on the Dutch climate targets and the response to the needs of an ageing population: the trends we observe in

TREND	WHAT DOES THIS MEAN FOR VOLKERWESSELS?		THEME
	RISK ³	OPPORTUNITY	
Economic instability and crises	<ul style="list-style-type: none"> ■ Insufficient access to funding ■ Insufficient investments ■ Falling government expenditure ■ Increasing competition and falling prices 	<ul style="list-style-type: none"> ■ New financing and business models ■ Public-private partnerships ■ Integration in the value chain ■ Optimum use and reuse of resources and energy, sustainable energy 	<ul style="list-style-type: none"> ■ All themes <p>See also: Risk section in the Annual Report (strategic risks)</p>
Changing professional population	<ul style="list-style-type: none"> ■ Unemployment ■ Ageing ■ Reduced participation of vulnerable groups on the labour market ■ Insufficient influx of young talent ■ Increasing costs and care costs 	<ul style="list-style-type: none"> ■ Inclusive employment policy ■ Sustainable employability ■ Adjust built-up areas to population change 	<ul style="list-style-type: none"> ■ Employment ■ Safety ■ Integrity <p>See also: risk section in the Annual Report (employment capacity and health and safety on the work floor)</p>
Scarcity of resources	<ul style="list-style-type: none"> ■ High energy and fossil energy prices ■ High resources prices ■ Scarcity of water ■ Increasing land-use competition 	<ul style="list-style-type: none"> ■ Sustainable energy ■ Circular resources chain ■ Alternative applications for resources and waste ■ Combining functions ■ Redirecting existing stock 	<ul style="list-style-type: none"> ■ Raw material ■ CO₂ emission and energy ■ Public liaison management ■ Biodiversity
Climate change	<ul style="list-style-type: none"> ■ Extreme weather and natural disasters ■ Loss of biodiversity ■ Collapse of eco systems ■ Damage to the infrastructure ■ Public health hazard 	<ul style="list-style-type: none"> ■ Sustainable energy ■ Energy-neutral or surplus energy buildings ■ Adapting built-up areas ■ Repair eco systems 	<ul style="list-style-type: none"> ■ CO₂ emission and energy ■ Biodiversity ■ Raw material ■ Public liaison management
Retreating government	<ul style="list-style-type: none"> ■ Weaker institutions ■ Economic and social instability ■ Decreasing confidence ■ Decreasing social cohesion 	<ul style="list-style-type: none"> ■ Contribution to quality of life ■ Public-private partnerships ■ Social enterprise ■ Strengthening local identity 	<ul style="list-style-type: none"> ■ Quality of life ■ Employment ■ Public liaison management ■ Safety ■ Integrity
Hyper connectivity ²	<ul style="list-style-type: none"> ■ Collapse of critical information infrastructure ■ Data security and data fraud ■ Cyber attacks ■ Misuse of technologies 	<ul style="list-style-type: none"> ■ Contribution to safe, reliable infrastructure ■ Real-time management of infrastructure ■ Make Internet of Everything possible ■ Develop smart nets 	<ul style="list-style-type: none"> ■ CO₂ emission and energy ■ Quality of life

² We added this trend in 2015 because of the increasing importance of technology, data and connectivity, and the link to our Energy & Telecoms sector.

³ In this Sustainability Report we mainly focus on external risks and opportunities. In the VolkerWessels Annual Report we also describe the internal risks and opportunities.

Business model



our environment have undeniable influence on our sector. The market demands integrated concepts, partnerships with shared objectives and risks, and new financing and business models in response to these complex issues. We believe that we have to think in terms of the needs of society, that we have to learn to understand these even better and that we need to empathise with these even more.

In the chapter 'Quality of Life' you can read how we are working on this together with our stakeholders. Our Annual Report contains a detailed analysis of the market per sector.

What does this mean for our projects?

VolkerWessels has many diverse operating companies. Our decentralised organisation structure is distinctive. This decentralised

model stimulates the entrepreneurship of our managers and employees, so that they can quickly respond to the changing market. By providing this space for personal initiative and allowing managers and employees to feel responsible for their own organisation and environment, we encourage innovations and innovative approaches. We believe it is important for our people to empathise with the wishes of the customer and society and for them to have a good intuition for the new opportunities, resulting from them. At the same time, with our combined knowledge from all the construction disciplines, united we are strong in multidisciplinary, integrated projects, which are becoming more common. In addition, our operating companies work closely together internally, as for example in our VolkerInfra partnership (Infrastructure sector).

“We believe we have to think in terms of the needs of society”

Strategic pillars

Expanding our position in the value chain

In our strategy we have a clear preference for our home markets and a healthy distribution of operations. The three pillars of our strategy are operational excellence, expanding our position in the value chain and market leadership. We seek to make our organisation stronger in balance with the surroundings by deploying the best people, enterprise and innovation. Our key values of safety, integrity and sustainability are essential components of our strategic course. We operate in the markets in which we can make a significant difference. This means a critical and

determined approach to opportunities and challenges, and strong focus on (qualitative) market leadership, a wide position in the value chain, multiannual contracts and distinctive specialisms.

Risk management

Effective management of risks and opportunities is essential for successful realisation of our strategic objectives. We secure long-term continuity by being a profitable company within our market sectors. The Board of Management has ultimate

responsibility for identifying, prioritising, managing and controlling risks. In this they make use of, for example, the quarterly meetings with the directors of the operating companies and of practical indicators for tracking risks over time. For example, to track health and safety risks, we have safety indicators and we measure our dependence on resources and fossil fuels

using CO₂ indicators and indicators for the consumption of primary resources. These indicators are presented in this Sustainability Report in the chapter 'Themes'. The risk section in our Annual Report contains additional information on our risk management.

What does this mean for our supply chain?

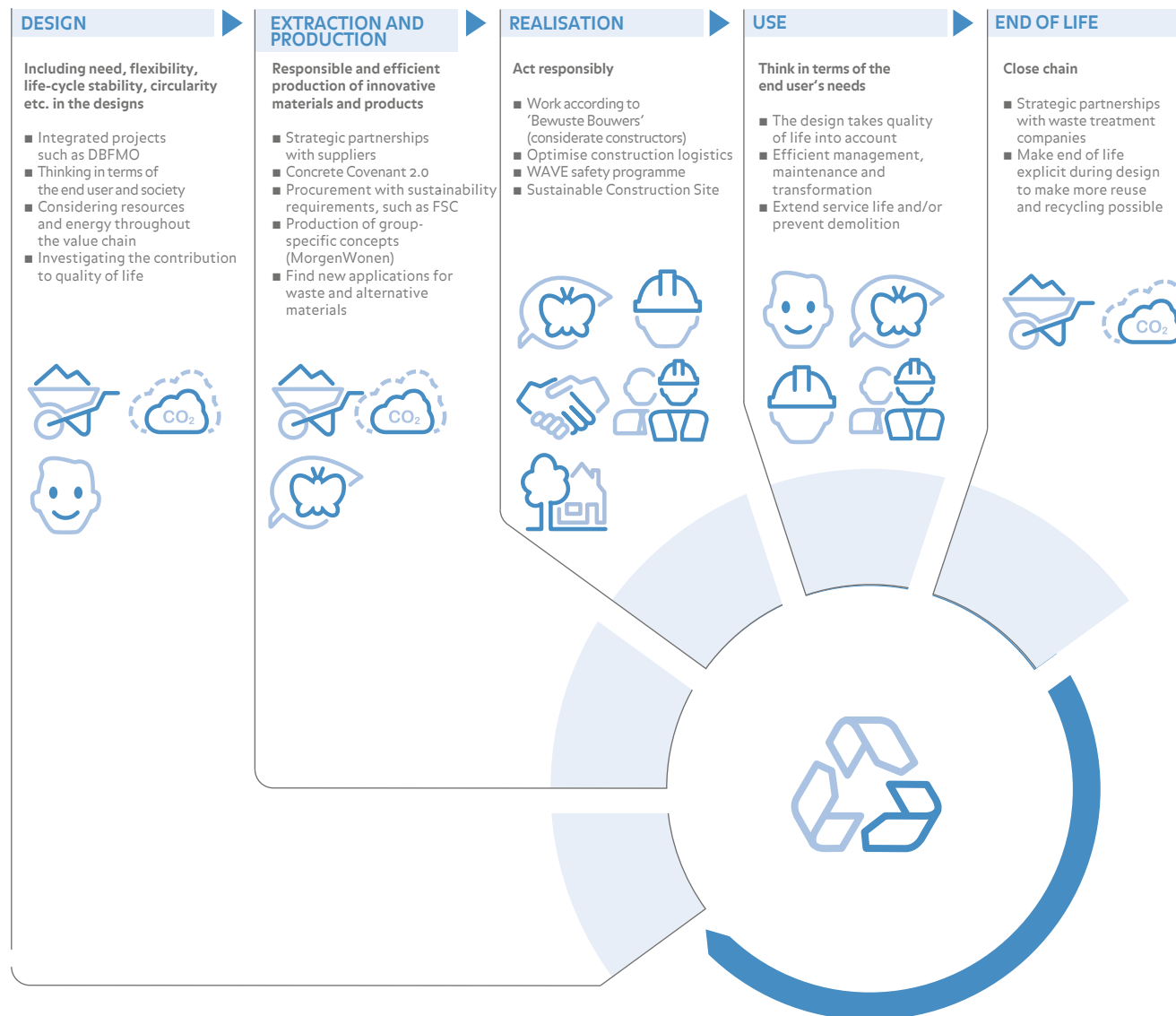
To consider societal needs and find innovative solutions for these needs, we have to cooperate with all the partners throughout the supply chain. This requires a different attitude and knowledge to that of a traditional

constructor. This shift means we no longer think in terms of individual products, but instead in terms of integrated propositions and innovations, which respond to or sometimes even anticipate societal demand. By cooperating in and with the different phases in the supply chain and sharing knowledge, we can coordinate the resource, waste and energy flows more effectively and allow these to link with and move towards a circular system.

We have the most influence during the design and realisation. In these phases we can exercise our influence to have a positive effect on the rest of the supply chain. As part of our strategy, we are working on expanding our position in the value chain by adding activities in the sphere of service provision, financing, management, maintenance and operations. Examples are DBFMO⁴ contracts and performance contracts for management and maintenance. This expansion gives us more influence in the other phases of the chain. ■

⁴ DBFMO stands for Design, Build, Finance, Maintain and Operate.

Value chain



Work together to realise a better quality of life. To achieve this target, it is important that we make the link between this social value and our key process: the development, construction and management of buildings, infrastructure and networks.

That is where we can exercise the most influence and where we can optimally use the knowledge and skill of our employees. The basis is a good balance between economic, social and environmental values. How can we contribute to quality of life with our products and services? And in doing so how can we cooperate with our group companies, partners and other external stakeholders?

This requires a different way of thinking. It is not our own construction process that is leading here, but the perspective of the end user and society. This means we have to investigate and learn to better understand what goes on when a home or a road is used. This is how we serve society best. In the end this gives us the best result. We cannot achieve our target alone. To do this, we need the intensive cooperation of all the stakeholders. We can only achieve our ambition by combining our joint knowledge and efforts.

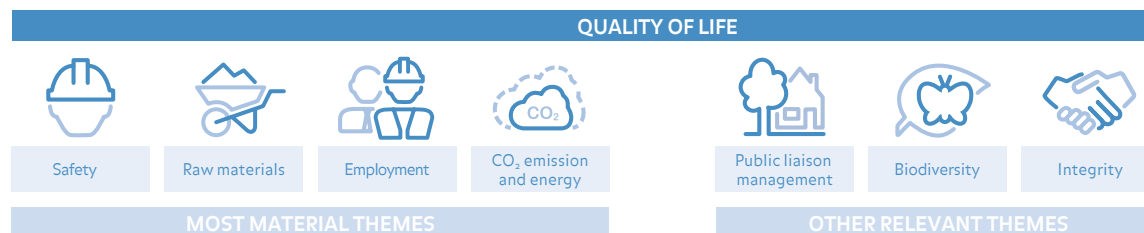
Strategy

Our group strategy focuses on supporting and encouraging initiatives, innovations and partnerships of and between the operating companies. Within our decentralised organisation, expertise, subcontracting and our subcontractor's initiatives form the basis of our policy and the main source of innovations. We increase our positive impact by connecting, expanding and upscaling these initiatives.

Group-wide we flesh out this strategy through:

- **Stakeholder dialogue:** a continuous partnership and discussion with our internal and external stakeholders, from employee to end user

- **Sustainability themes:** core themes with practical targets for 2020, which focus our efforts and make these measurable
- **Innovation and knowledge sharing:** stimulating different innovation sessions and partnerships with external knowledge partners with the internal PlanetFit label
- **Quality of life:** with our external partners we work on translating this overarching theme into practical measures in our projects
- **External Review Committee:** a new body composed of external sustainability experts, which advises our board on further expanding our social impact



To give focus to our policy together with our stakeholders, we have defined our core sustainability themes. These are the themes we and our stakeholders believe to be most important, and on which we can also exercise influence¹. Practical indicators and targets have been defined for each theme, which we monitor at group level and for which we establish central frameworks and programmes. Our operating companies translate these frameworks into their own targets, actions, innovations and partnerships. The quality of life theme comes first and connects the other themes. So we continuously ask ourselves: 'How do our operations contribute to a better quality of life?' We provide a detailed explanation of the quality of life programme in a separate chapter, which deals with this theme exclusively. The External Review Committee also shares its findings from 2015 later on in this report.

Stakeholder dialogue

During our three stakeholder dialogues, we discuss with our stakeholders which issues are important, what is expected of us, and how we can cooperate in this with our stakeholders.

Dialogue 1: Strategic dialogue (annual)

Who	Managers and external stakeholders
What	Social trends, issues and expectations
Why	Input for vision and strategy
Main findings	The world is changing and with it, demand changes. VolkerWessels has to change along, define where it can make the difference and then make this measurable and put it into practice.

Dialogue 2: Operational dialogue (biannual)

Who	Operating company representatives and external stakeholders
What	Practical application of strategy
Why	Input for actions and programmes
Main findings	Look beyond the request of the direct customer. What societal needs underpin this request? And what problem can you tackle with this for society?

Dialogue 3 (NEW): End user's dialogue (annual)

Who	End users
What	Contribution to quality of life
Why	Input for contribution to quality of life
Main findings	End users attach considerable value to freedom of choice

The chapter 'Quality of Life' contains more information about the end user dialogue, which we put into practice in 2015, for example in a residents' evening at the Sterrenberg project.

In addition to these fixed moments, we have many other ways in which we have continuous contact with our stakeholders. Examples of this partnership with stakeholders in 2015 are:

Stakeholder	Example of partnership
Knowledge institution	TNO, University of Applied Sciences Utrecht and Rotterdam University of Applied Sciences – forum for Construction Logistics 'Het Groene Brein – coalitie sociale waardecreatie' (The Green Brain-coalition for creation of social value)
NGO	FSC Netherlands – FSC Covenant, MVO Netherlands – Concreet 2.0 (Concrete 2.0)
Customer	Municipality – Economic Board of Utrecht membership
Students	Sustainability Challenge, presentations during seminars and lectures
Sector	Bewuste Bouwers (Considerate Constructors)
Social bodies	Talent for Rotterdam
Environment	Residents' evenings
End user	End user dialogue for residents of Sterrenberg
Science	External Review Committee
Employees	Innovation marathon and sustainability workshops
Supplier	Increasing separation and recycling rates

Focus on impact

A clear focus in themes and targets is essential to make a real impact and communicate adequately with employees and other stakeholders. All our sustainability themes have practical targets, which focus both on our own organisation (for instance our own CO₂ emission) and on the value chain (for instance the emission produced when the homes constructed by us are used). The impact we have elsewhere in the value chain in this way helps us realise our ambitions with regard to quality of life. This 'expansion' of the sustainability policy is also in line with our group strategy, which, among other things, focuses expanding our position in the value chain. Making our own core process as safe and circular as possible, including energy savings and CO₂ reductions, is a fundamental precondition.

In our decentralised organisation structure, management and accounting are important to safeguard our vision and achieve our targets. With regard to this, VolkerWessels works with so-called In Control Statements. These are used by the directors of operating companies for accounting purposes in relation to their policy and achievements. The sustainability achievements are an integral part of this. The Board of Management uses the Statements to monitor sustainability achievements and manage with reference to these during periodic meetings with the directors of operating companies. In addition, starting in 2015, the main sustainability indicators for the operating companies are quantitatively monitored and discussed in this way by the operating company and the Board of Management four times a year. In 2015

¹ In the Annex Materiality, we provide a detailed description of the annual materiality analysis process including the findings of this analysis for previous years.



“The historic **climate agreement** in 2015 forces citizens, companies and government authorities to make a concerted effort. VolkerWessels intends to play a **catalytic role** here. This asks a lot and is a welcome challenge for all employees.”

Tjerk Wagenaar

Manager

Stichting Natuur & Milieu

(Nature & the Environment Foundation)

these discussions largely focused on the correctness, completeness and timeliness of the data provided. In 2016 the figures will be examined more in terms of substance. In the coming years we intend to concentrate our management on the realisation of our targets and the contribution operating companies make to this even more.

The remuneration of managers partly depends on the safety achievements.

The Platform csr (Corporate Social Responsibility) is the central decision-making body in the area of sustainability. Delegates from the Board of Management and directors in all sectors have a seat on this platform. The Board of Management has ultimate responsibility for the policy and realising the targets. The csr department assists, coordinates and facilitates the implementation of the sustainability policy by the operating companies and reports to the Platform csr and the Board of Management.

Innovation and sharing knowledge

Stimulating innovation and expanding and sharing knowledge is essential for the successful implementation of our policy. Within the company we promote operating companies' innovations with our own sustainability label 'PlanetFit'. To make PlanetFit even more visible, the link to innovation has been emphasised. It will provide a wider platform for small innovations, PlanetFit innovations and innovative,

sustainable projects as well as major innovations, which will then receive more external focus. To achieve this, the link between the operating companies will be

strengthened, and the first steps towards a renewed Innovation Platform will be taken. On the annual Innovation Day and during the Innovation Marathon, operating companies have ample opportunity to present their innovations. During these kinds of meetings, we work on linking and upscaling these innovations and we start up new partnerships. To embody sustainability even more deeply in our core process and in our work method, in 2015 we also

worked on sustainable procurements. This work included developing tools and arranging workshops for our employees, increasing knowledge and awareness about sustainability.

When thinking in terms of the end user and the society, external ideas and knowledge are invaluable for coming up with practical measures and solutions. For example, each year during the Sustainability Challenge, we ask students across the country to think up out-of-the-box solutions to practical problems relating to quality of life. ■

“For me sustainability has been the decisive factor in my choice of house”

– Resident during the end user dialogue



Sustainability themes

- 17 Safety
- 21 Raw materials
- 26 Employment
- 31 CO₂ and energy
- 37 Public liaison management
- 40 Biodiversity
- 43 Integrity
- 47 Quality of life



Safety comes first in everything we do. We make no concessions on safety. This is why our core value is: we work safely or we don't work at all.

We have a corporate culture in which safety is continually embedded in our consciousness. This is more than just following common rules and legislation. It's a way of working. This is why our safety programme WAVE (Be Alert! Safety First!) focuses on increasing safety awareness within our group (excluding offshore and outside the Netherlands). Of course there too, safety plays an essential role, but in these sectors there are different safety rules and a different culture.

We are all responsible for safety and this is about more than just the safety of our own employees. In our partnerships, such as in Governance Code 'Veiligheid in de Bouw' (safety in the construction sector) and in our WAVE programme, we therefore work on safety for all the stakeholders, such as

On the annual Safety Day we take extra time to consider safety issues.

Safety Targets 2020

- Strengthening the safety culture¹
- Continue to roll out the central registration of accidents
- Include subcontractors in WAVE
- WAVE and SSB as mutually supportive programmes¹
- Introduce the safety passport group-wide
- Cooperate actively to develop products under the Governance Code 'Veiligheid in de Bouw'

¹ New targets for 2015. We have added these as a response to developments that we have observed in relation to these issues in 2015.

Safety results

IF RATE* (in percentages)



This year extra attention was given to registering hired workers. As a result, the number of available hours has gone up. Some of our companies calculate their health & safety figures in line with working days rather than calendar days. We have made an impact analysis of the maximum deviation this causes in the figures. It emerges that this is not significant.

* KPMG has granted assurance for these values.

subcontractors, suppliers, principals, the environment and end users.

Whether or not we work safely is not open to discussion in our group. Yet it is still important that we make this issue the object of continuous attention. This is confirmed by a number of accidents that still occurred in 2015. It is essential that our WAVE values and rules are strictly adhered to. This also applies for our hired staff, subcontractors and suppliers. This will require more energy and attention in the years to come. We will have to include them in the WAVE philosophy and address them on this if needed.

Safety values

Core values safety

Safety I work safely or I don't work

Values

Consistent Responsibility	Safety is part of everything we do I am responsible for my own safety and for that of others
Willingness to learn	I want to learn from accidents and near accidents
Open	I address others about unsafe behaviour and safety
Action	I suspend unsafe work; if needed, I stop work
Respect	I accept being addressed about safety
Honest	I report all accidents and near accidents

Safety rules



Use the prescribed personal protective equipment (PPE)



Make sure the workplace is safely cordoned off



Use the correct (approved) work equipment and tools



Make sure the workplace is kept tidy



Do the LMRS (Last Minute Risk Analysis)



Never work or drive under the influence of alcohol and/or drugs



Don't smoke outside the designated areas

Safety culture

We observe that the maturity of the safety culture plays an increasingly important role in procurement procedures. A clause such as 'within one year the project has a demonstrable proactive safety culture' is found increasingly in contracts. Currently, the Safety Ladder, developed by ProRail, is the only tool with which it can be independently demonstrated how mature the safety culture



“ProRail congratulates VolkerRail on reaching **level four** on the Safety Ladder. It is fantastic to see how well this tool works and that VolkerRail is taking a **leading role** in this.”

Pier Eringa
President Director
ProRail

in the company is. Our operating company VolkerRail was the first recognised rail contractor to achieve a proactive safety culture in 2015 (level 4 on the Safety Ladder). This achievement contributes to our target to strengthen our safety culture. From 1 October 2015 the Safety Ladder also applies in sectors other than the rail sector. Because of this, VolkerWessels wants to apply the Safety Ladder in the group at a number of operating companies, which operate outside the rail sector.

‘Zero accidents’ policy

In 2014 VolkerWessels participated in an international scientific survey by TNO in the framework of the ‘Zero Accidents Vision’. This is the first survey on zero accidents of this scale. In total, twenty-seven European companies from seven countries participated in the survey. The sharing of knowledge within this network helps in developing a ‘zero accidents’ policy. The results, experiences and successful practical examples can, for example, help VolkerWessels achieve a zero accidents policy in the future. TNO’s final report was published in 2015.



Screenshot of the WAVE app.

Registration and the WAVE app

We continued to expand the central registration of accidents leading to absence in 2015. In the coming years the WAVE app will make it even easier to report accidents centrally. We are further tightening our registration targets by expanding these to include the central registration of accidents not leading to absence and near accidents.

The WAVE app was launched in April 2015 and immediately put into operation by several operating companies. This app makes it fast and easy for everyone in VolkerWessels to report unsafe situations and accidents. In addition, reports are saved and evaluated so that together we can learn from these unsafe situations and accidents. After being launched in April, the app was tested extensively with reference to the VolkerWessels new information protection requirements, and found to be safe. The app is now available for all operating systems. In 2016 the app can be rolled out and used VolkerWessels-wide.

The main indicator for safety is the Incident Frequency Rate (IF rate). Despite the increased focus on safety, this year the IF rate has remained unchanged.

Safety in the chain

At several operating companies we already see subcontractors being included in WAVE. When contracting subcontractors, WAVE is a subject of negotiation. Subcontractors also participate in WAVE workshops and WAVE days. In 2015, 5,289 employees of subcontractors participated in our workshops. In the coming years we will aim to have more operating companies negotiate with their subcontractors about WAVE. Our new Safety Policy Manual sets out how we deal with our subcontractors and suppliers when they fail to adhere to the safety rules and values. The basic assumption here, just like for our own employees, is that the mature conversation results in the (employee of the) subcontractor or supplier adjusting his or her behaviour. Should this not be the case, there are possible further steps that can be taken,



WAVE is the VolkerWessels safety programme. WAVE stands for Wees Alert! Veiligheid Eerst! (Be Alert! Safety First!)

Go to <https://vimeo.com/149248415> to watch a video

such as a warning, removal from the construction site or termination of the partnership agreement.

Another development is that we increasingly understand that safe construction starts when the project is being prepared: thinking about what you are going to build in advance, what you will need for this, when you will do it and with who you will work. The agreements with the 'Samen Slimmer Bouwen' concept (building smarter together, SSB), within which LEAN, BIM and chain partnerships are central, are major here. Our practical experience with SSB sessions shows that partnerships are successful. For example, taking time every day to consider the activities to be carried out with reference to the joint plans is easy to combine with the direct discussion of the safety risks accompanying the activities.

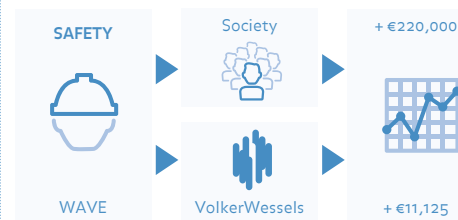
In the future we therefore intend to use Samen Slimmer Bouwen and WAVE as mutually supporting programmes even more.

Governance Code 'Veiligheid in de Bouw' (Safety in the Construction Sector)

The Governance Code is a partnership between principals and contractors in the sector and addresses several long-term initiatives, which all started in 2014. Within these initiatives we are working to increase the safety level and improve the safety culture in the sector. For example, there is an initiative to create one basic safety training (2017) and one access card (2016) for recording personal and training details for access to the construction site. This is being coordinated with the initiative 'bouwplaats ID' (construction site ID) under the Collective Labour Agreement for the construction sector and is in line with our target to introduce the safety passport across the group. In addition, work is being done to introduce a uniform set of safety cloths. In the Safety Paper of September 2015, which has been sent to all VolkerWessels employees, extensive attention was focused on the whys and wherefores of the Governance Code.

Responsibilities

Under the supervision of the Board of Management, the Safety Platform ensures the continued development and the implementation of the safety policy and the WAVE programme. Safety is a permanent item on the agenda of all management meetings. The safety figures and the safety policy are also standard items on the agenda of quarterly meetings between the Board of Management and directors of operating companies. During these meetings explanations of and measures for improving the safety achievements are discussed. Just as the core values integrity and sustainability, safety is an integral part of the remuneration paid to the managers and the directors of operating companies. In 2015 we appointed a safety manager at group level. ■



Society: Reduction in immaterial damage. The fall in the number of accidents from 2014 to 2015 results in a reduction in potential immaterial damage (suffering, grief), which is based on a fixed percentage of the Value of Statistical Life (VOSL). **VolkerWessels:** Maximum reduction in absenteeism costs. This is based on the average number of days' absenteeism and the number of cases of absenteeism each year. These amounts are indicative and based on assumptions. They are available on our website: <http://www.volkerwessels.com/nl/corporate-responsibility>

Highlights in 2015

- VolkerRail achieves level 4 on the Safety Ladder
- WAVE app introduced for reporting incidents and unsafe situations
- Framework for all WAVE training made available on intranet
- VolkerWessels Safety Paper published containing successful examples of WAVE being applied by operating companies
- Safety Enforcement Policy adopted and effective from 1 January 2016
- Second WAVE day for all Construction & Real Estate companies with 'working at height' as topic

Actions in 2016

- Implement and apply Safety Enforcement Policy
- Continue rolling out WAVE app
- National Safety Day around the topic Traffic Safety (also the topic for the year)
- Learning from accidents. For serious accidents, several investigation specialists are being trained to provide VolkerWessels-wide assistance in investigating accidents
- Continued professionalisation of the safety professionals
- 3 pilot implementations of the Safety Ladder at an operating company in each sector (Construction & Real Estate, Infrastructure, Energy & Telecoms)



Raw materials form an essential part of our core process and our projects. At the same time the use of primary resources and the production and treatment of waste has a major negative environmental impact.

To prevent the exhaustion of resources, we focus on purchasing materials with awareness, reducing our need for primary resources and using alternative and biobased materials. Simultaneously we are working on optimising waste separation, reuse and high-quality recycling with a view to closing the material loop.

Our policy focuses on the four main resources in our core process: wood, steel, concrete and asphalt. For these major resource flows we are seeking possibilities for more reuse, alternative compositions and extending shelf life, so that we can become less dependent on primary resources. In addition, we are working together with FSC Netherlands on our target to buy sustainable wood from responsibly managed forests only.

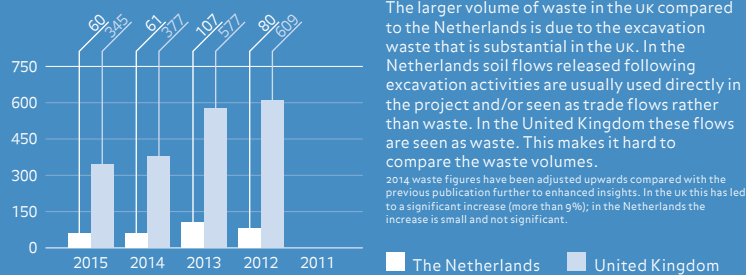
The Plastic Road concept is made of 100% recycled material.

Resource targets 2020

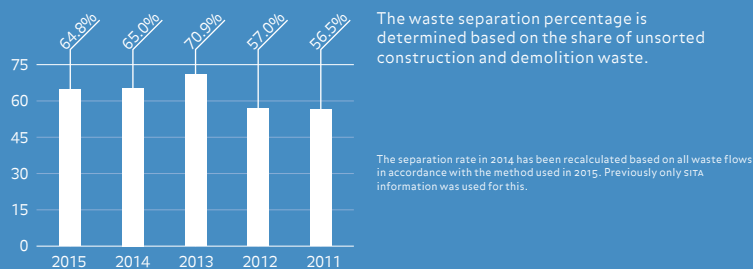
- Increase waste separation rate to 100%
- Full reuse in high-quality applications: 97% recycling
The target is 97% and not 100%, because some materials, such as materials containing tar, cannot or may not be recycled.
- 25% less discharge of waste per € turnover
- Reduction in purchases of primary resources
 - 25% less wood
 - 25% less steel
 - 25% less concrete
 - 10% less asphalt granulates
- 100% sustainable purchase of wood

Resources results

TOTAL VOLUME OF WASTE* (in ktonnes)



WASTE SEPARATION PERCENTAGE*



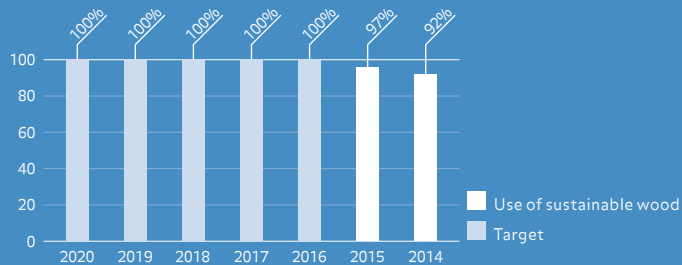
Primary resources flows

Our targets are aimed at reducing the purchase of new (primary) resources. We do this, for instance, by reusing more, optimising designs using fewer materials, or reducing the maintenance needs during shelf life. For example, as part of the Green Deal Beton (Green Deal for Concrete) we are working on making the concrete chain more sustainable and on developing new compositions and recycling resources. Recycling is also central to the production of our asphalt. In addition to our HERA system (Highly Ecologic Recycling Asphalt System), that has the potential to increase the amount of recycled asphalt by 25%, we also introduced a new application for recycled materials in substrates this year. This innovation for two layers of ZOAB (Highly Porous Asphalt Concrete), also using recycled material in the substrate, and now approved by Rijkswaterstaat, is being applied by us in the SAAone project.

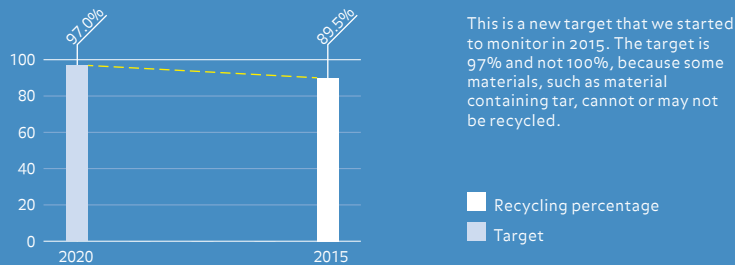
Alternative materials can also contribute to reducing our need for resources. For example, this year we launched the Plastic Road concept: a prefab plastic structure is used instead of asphalt. Because this concept involves the use of recycled plastic and has significantly fewer maintenance needs, fewer new materials are needed and no bitumen is used. Another option is to reuse existing structures and buildings. We applied this principle during the renovation of the Alliander office, delivered in 2015. More than 80% of the materials in the existing building have been used in the new office. When developing the buildings in the Fokker Logistics Park, the basic principle is that all the materials and products used have to be reusable. For example, the use of bolted connections rather than permanent welded connections ensures that the structure is easy to dismantle.

* KPMG has granted assurance for these values.

USE OF SUSTAINABLE WOOD



RECYCLING PERCENTAGE

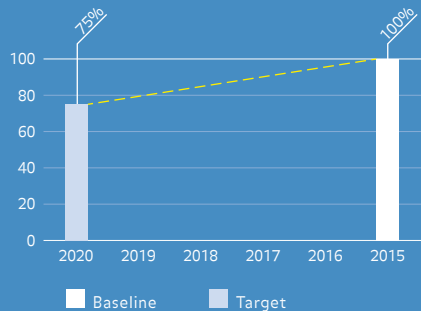


Sustainable wood

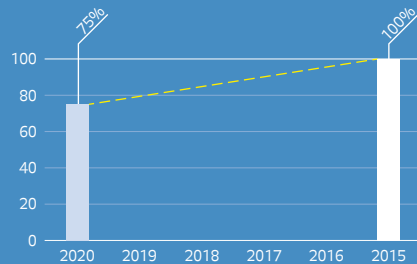
Wood is by far the most important renewable resource in our projects. We process wood permanently, for example in our buildings, but we also use it for temporary applications, such as formworks for concrete structures. Our Construction & Real Estate sector uses the most wood, for instance for frames, doors, roofs and wood framing. For example, one of our wood-processing companies and partners developed the wood Landscape Lodge, which is produced prefab and placed directly among nature. If we use wood in temporary structures, such as formworks, these are used several times wherever possible. If it can no longer be used as formwork wood, we give it a second life as, for instance, a table under our VandeBouwplaats (from the construction site) initiative.

VolkerWessels is a covenant partner in the Bouw en Hout (construction and wood) Covenant of fsc Netherlands. On signing up to this covenant, we have undertaken to aim to purchase only sustainable wood in 2016. In this way we contribute to responsible forestry and the continued existence of the world's forests. VolkerWessels draws up an annual FCS plan, in which the Covenant agreements and our measures are adopted. We extend our internal support through arranging internal meetings during which the importance of sustainable wood is emphasised. We also impress this importance on our suppliers. With a certified wood percentage of 97% we are well on the way to achieving our target. In 2015 our efforts won us first place in the Forest 50, a league table based on the use of sustainable wood and communication about this.

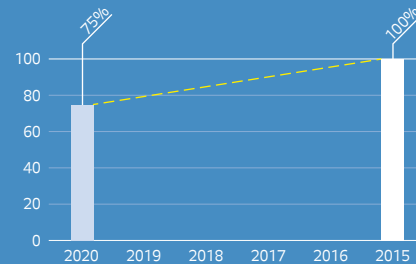
REDUCTION IN PURCHASES OF PRIMARY RESOURCES WOOD



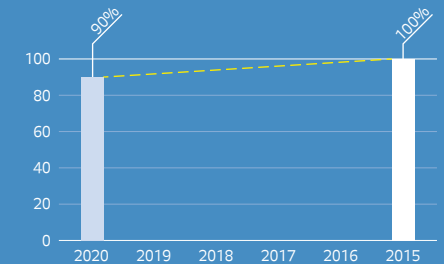
STEEL



CONCRETE



ASPHALT GRANULATES





“In the Alliander office in Duiven – containing **2,000m² of used wood** – VolkerWessels and SUEZ have delivered an extraordinary sustainable project. How circular do you want it to be? It makes me **proud.**”

Henk-Jan van Doorn

Key Account Manager

SUEZ Recycling and Recovery Netherlands

Waste

Our construction site staff, our equipment services and our waste treatment companies work together closely to achieve our targets in the area of waste separation and reuse.

Our aim is, wherever possible and as well as possible, to separate waste at source and transport it as efficiently as possible.

The intention is to make these waste flows suitable again for high-quality reuse. Together with our partners, we are working to create more insight into the degree of and the opportunities for upcycling.

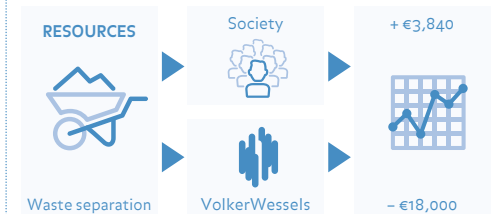
Good separation of waste on the construction site is central in our Sustainable Construction Site concept and is part of our Bewuste Bouwers certification. Our search for smart logistic combinations in the Construction Logistics pilot also enables us to combine waste transports, decrease transport distances and reduce waste packaging.

Another initiative is VandeBouwplaats (from the construction site): together with artists we come up with new applications for construction waste, such as plant containers made of leftover concrete or waste containers from workform wood for in our offices.

Furthermore, one of our operating companies is involved in a partnership looking into how waste can serve as a resource for products such as methanol and ammoniac.

Recycling percentage

In addition to focusing on upcycling and reuse of materials, starting this year we also measure the recycling percentage of other waste flows. For this purpose, by recycling we understand both reusing the materials in another form and converting the materials into usable energy.



Society: Reduction in environmental charges for incinerating and landfilling waste. **VolkerWessels:** Reduction in the treatment cost as a result of better waste separation. This year the separation rate has dropped very slightly (0.2%) rather than increased. These amounts are indicative and based on assumptions. They are available on our website: <http://www.volkerwessels.com/nl/corporate-responsibility>

Highlights in 2015

- VolkerWessels top of Forest Top 50
- Of the wood purchased in 2015, 97% was sustainable
- Central monitoring of resource flows started
- First measured in 2015: recycling percentage is 89%
- Agreements on resources and waste included in central purchase contracts

Actions in 2016

- Develop Plastic Road prototype
- Identify the last problems preventing the purchase of only sustainable wood
- Draft FSC Annual Plan 2016
- Apply VandeBouwPlaats at all national infraprojects

We currently have a recycling percentage of 89% while our target is 97%.

Responsibilities

Knowledge and expertise about the optimal use and reuse of resources is readily available in our operating companies. At group level we have formulated central targets for wood, concrete, steel and asphalt. Operating companies using significant amounts of these resources have to conform with these targets and are also responsible for implementing the measures, partnerships and innovations that contribute to achieving our targets. They do this in proper consultation with the CSR department and various suppliers. In 2015 several central consultations were held with the particular operating companies about the targets for these resources.

We apply a similar method for the waste targets. At group level we have concluded framework contracts with waste treatment companies, in which agreements are recorded about the monitoring and the treatment of waste flows. For example, wherever possible, we require high-quality reuse of materials from the construction site. We monitor the progress made in respect of the targets for resources and waste centrally.

The implementation of the FSC Covenant is also monitored at group level. We include agreements on the use of sustainable wood and the monitoring of our wood purchases in the contracts with our wood suppliers. We also encourage our suppliers to sign up to the Bouwen Hout (construction and wood) Covenant. All our wood-processing operating companies have FSC certification. In addition, 80% of our Construction & Real Estate companies are

certified. These operating companies monitor their own certification.

Dilemma

Last year we looked into how we can best measure the new targets for our four main resource flows in practice. Collecting the required data in our decentralised structure is a challenge. We also observe that in some areas the targets are not yet as ambitious as we would like them to be. To enable us to make better measurements next year, to focus more on results and to adjust the targets when needed, we have instructed KPMG to conduct a readiness assessment. A Readiness Assessment evaluates the robustness of information about our achievements with the ultimate aim of getting assurance for these. The Readiness Assessment gives us a good picture of what we still have to improve to achieve this in the next year, both with regard to the purchase of primary resources and the related Scope 3 emissions. We currently have insufficient insight into the reporting process. To be able to provide assurance for these indicators next year it is essential that a methodology document be drafted for each indicator in which the stated reporting process steps are fleshed out step by step (definitions, scope, data collection, registration, aggregation and review and reports). ■





Employment



Our employees are the foundation of the success of VolkerWessels. We want to find, commit and interest the best people and allow them to grow.

The development of our employees, retention of knowledge through internal succession and investing in sustainable employability are major spearheads at VolkerWessels. We want our employees to be healthy and happy at work.

At the same time, the changing market requires a different way of working and thinking, for instance in the area of partnerships and chain partnerships or thinking in terms of the end user. This starts with our employees. VolkerWessels has a decentralised structure and an organisation culture that gives enterprise and individual initiative ample room. As a result, our employees feel a sense of responsibility for their own work and are motivated to innovate and modernise.

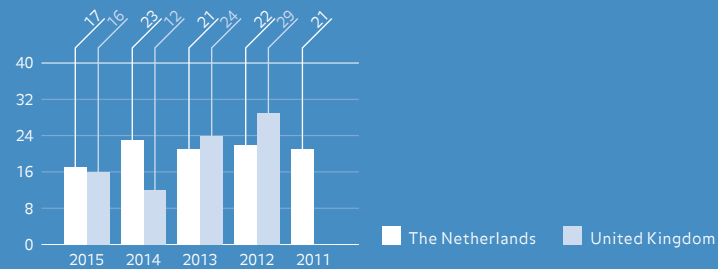
We bring together the right people and the right expertise.

Employment targets for 2020

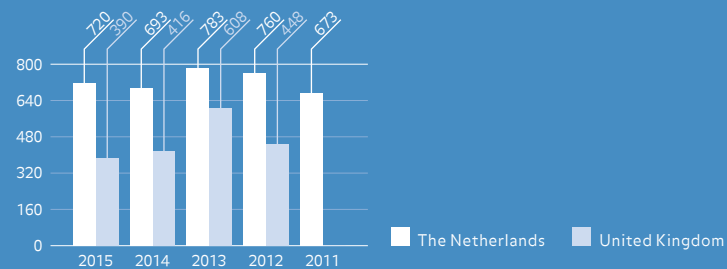
- Internal succession
- Investing in sustainable employability
- Certification at level 5 on the Performance Ladder for inclusive employment in the Construction Sector
- Information to encourage equal opportunities

Employment results

AVERAGE NUMBER OF HOURS' TRAINING PER EMPLOYEE



AVERAGE EXPENDITURE ON TRAINING PER EMPLOYEE (in euros)



Our projects are becoming more integrated, more complex and extend to an increasingly wide part of the value chain. For this reason it is important to share knowledge and expertise centrally and to develop new skills. The VolkerWessels Academy is a suitable place within our group at which knowledge can be shared and skills developed.

Our operating companies perform various activities in different sectors. This means, for instance, that different Collective Labour Agreements apply, the type of employee in terms of background differs and that the (technical) training needs vary from operating company to operating company. HR is therefore excellently suited for being organised decentrally and close to the work in the different operating companies. Of course some HR issues have to be arranged centrally: in the areas of training and development, employment conditions and labour mobility.

Training and development

Because our employees are the foundation of the success of VolkerWessels, the development of our employees is essential. This is why we have our own VolkerWessels Academy.

The objectives of the VolkerWessels Academy are:

- To translate the training requirement into high-quality programmes
- To disseminate knowledge and to generate new knowledge and insights
- To connect operating companies through actively working on creating an internal network

In our Training Platform, directors of our operating companies establish the central training programmes in the Academy.

The training programme has a modular structure with a strong focus on project management and general management aspects and skills. In this way we prepare our

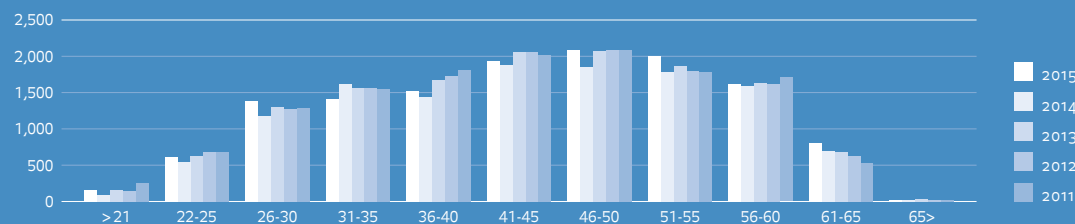
employees for the increasingly complex and knowledge-intensive projects we implement so they are well equipped to give their best performance.

To transfer the knowledge and experience, the Academy works with its own teachers and engaging and inspiring speakers as much as possible.

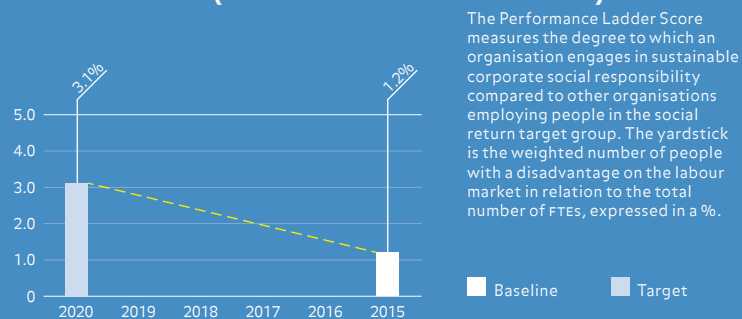
“We have our own VolkerWessels Academy.”

The key values are result and customer-orientation, enterprising and safe work. For this reason, all training programmes communicate the correct attitude and behaviour as regards integrity, safety, corporate social responsibility and Samen Slimmer Bouwen (Smarter Construction Together) to employees.

DIVISION OF EMPLOYEES BY AGE (includes the UK)



SOCIAL RETURN: PEOPLE WITH A DISADVANTAGE ON THE LABOUR MARKET (PERFORMANCE LADDER SCORE)



Developing programmes

In the last year focus was on two issues, specifically project management and the honest discussions. Because we are a project organisation, project management skills and training our employees in these are essential. And our organisation depends on people. Our employees make it possible for us to complete great projects. Working with people requires honest and open communication. For this reason, much focus has been directed towards talking to each other in the Infrastructure sector.

Project management

Project management skills are taught in seven of the ten training programmes. This year the VolkerWessels Academy introduced new project management courses, in which the project manager learns, in addition to the

aspects time, money, risks and process, to connect the worlds of decision-makers, suppliers, users and contractors. Of course plenty of focus is also on sharing knowledge among participants. Experienced project managers and managers of VolkerWessels perform as internal guest lecturers. In this way we make sure the training processes are closely aligned to our practical activities.

Good conversations

In 2015 the Infrastructure sector in particular has been very active with the programme 'Goed in Gesprek' (good conversations). This programme trains employees with a managerial role to have honest, critical contact with their staff, customers and other external parties. Due to the highly positive feedback, we intend to continue this programme in 2016.

Management Development

Keeping, developing and transferring knowledge, expertise and skills are important at VolkerWessels. Our Management Training Course gives substance to the ambitions in the area of internal successions and the flow of talent, which this safeguards. Within this programme, employees with growth potential are educated for higher management positions. Starting in 2016, focus will particularly be on developing the financial column of VolkerWessels. We continuously work on improving financial control, both in our companies and in our projects, through training programmes and central meetings.

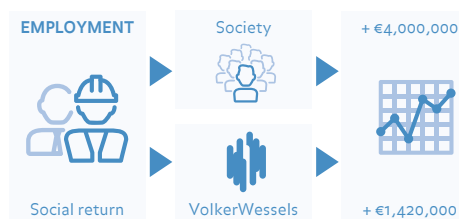


“Social Return **pays**.
For us, for society and
for all those people who
deserve an **honest chance**.”

Arno van Tilburg
Manager
Stam + De Koning

Responsibilities

The operating companies have most of the HRM responsibilities. At group level, the Central HRM department fleshes out the preconditions for being an attractive employer. These include, for instance, the employment conditions for the top 200, the VolkerWessels social plan, the management position benchmarks and the development of courses. The substance and the quality of all courses are monitored by the Training Platform and the training coordinators at the Academy. The Training Platform consists of directors of the different operating companies and a delegate from the Board of Management. Because these members are both sponsor and ‘owner’ of the various courses, they also have to account for the substance. The VolkerWessels Academy coordinates and provides the central training programmes.



Society: Reduction in the annual benefit costs when the number of placements for the 2020 target (Performance Ladder 3) is achieved at VolkerWessels.

VolkerWessels: Prevent fines under the Participation Act for mandatory placement of people with a disadvantage on the labour market.

These amounts are indicative and based on assumptions. They are available on our website:

<http://www.volkerwessels.com/nl/corporate-responsibility>

Highlights in 2015

- Renewed Project Management courses started
- New permanent education training courses for our registered accountants and controllers
- Teachers' Day at VolkerWessels Academy
- Central meetings of financial staff from all operating companies
- People with a disadvantage on the labour market placed: 1.2% (Performance Ladder score).
- Once again VolkerWessels was the most popular employer in the sector (First Employers survey)
- Information about equal opportunities subject of workshops and surveys on integrity

Actions in 2016

- Continue to develop Management Development course
- Continue 'Good Contact'
- Develop risk management course
- Set up a one-stop-shop for Social Return
- Continue to monitor Social Return centrally
- E-learning for integrity and information security

Labour mobility

At our Mobility Centre, a part of the VolkerWessels social plan, redundant staff can apply for guidance from work to work (in or outside the group). In 2015, 93 of the 99 participants who applied were helped to a new job. The successful mediation went up from 76% in 2014 to 93% in 2015.

**Social return**

VolkerWessels seeks to contribute to corporate social responsibility. For us this means giving people with a disadvantage on the labour market a chance, without this being at the expense of our own employees. Legislative developments, such as the Participation Act, indicate that the government expects companies to make an effort on this issue.

In the previous year, both at operating company level and within projects, we sought suitable activities for people with a disadvantage on the labour market. We look at what activities best match specific target groups and which partners can help us in this. We work together with involved stakeholders and benefit from the experience and lessons of our trial implementation of the Performance Ladder 'Socialer Ondernemen in de Bouw' (more social responsibility in the construction sector). A good example is our participation in the initiative 'Talent for Rotterdam', aimed at tackling youth unemployment and school drop out.

To share knowledge and best practices, a Social Return one-stop-shop is currently being set up at our operating companies. This one-stop-shop will act as an overarching service for the operating companies. Centrally we have been quantifying our practical application of Social Return since 2015 and we monitor the progress towards achieving our targets. Sadly, at present we are not able to apply a uniform system as a sector for measuring social return achievements (PSOBouw). In the absence of such a system, VolkerWessels continues to measure its social

return performance at group level according to the method of the existing pso Netherlands, to enable us to make a substantiated announcement about our social return achievements and compare these with the national average. This means our target is the score associated with the highest level on the Performance Ladder (step 3), as stated in the Manual.

Dilemma

How can we, VolkerWessels, continue to be an attractive employer? To answer this question, VolkerWessels started a survey this year. On one hand we see an aging of our workforce, while on the other hand we have an increasing need for young technical talents. To enable us to continue to stand out in the future, we need the best people. This is why we need to attract and keep talented people. Instruments for doing this are (secondary) employment conditions, sustainability and labour market communication. We seek contact with young talent through our website and attending events such as national or regional career fairs and company days. Students and VolkerWessels also get to know one another better through our participation in the Sustainability Challenge, in which students across the country work on a business case formulated by us. ■



The urbanised area is responsible for 25% of the CO₂ emission and 40% of the energy consumption in the Netherlands. This relatively large share also means that there are great opportunities here for improvement and savings.

Energy savings in existing buildings, energy-neutral new buildings and the use of renewable energy rather than fossil fuels can make a significant contribution to the structural combating of climate change.

Through our own detailed analyses of our emissions, we know that most emissions do not originate from within our own core process, within the value chain. Our CO₂ reduction policy therefore focuses on these chain emissions, in particular in the extraction and production of resources and in the use phase. We also seek new opportunities to reduce emissions from our own operations, for example in the area of optimising logistics and making our construction sites even more sustainable.

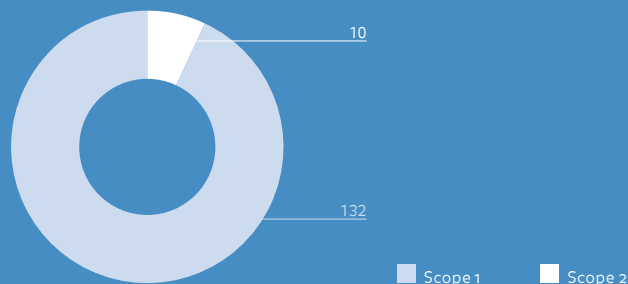
In 'Stroomversnelling', we renovate a high energy-consuming old house into a low energy-consuming and sustainable home.

CO₂ and energy targets in 2020

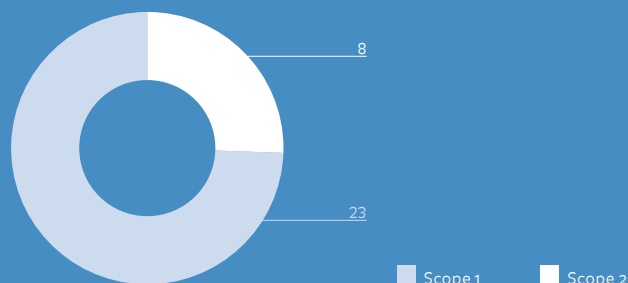
- 10% CO₂ reduction per € turnover compared to 2014
- 5% CO₂ reduction Scope 3 per € turnover of concrete products compared to 2015
- 5% CO₂ reduction Scope 3 per € turnover of asphalt products compared to 2015
- 5% CO₂ reduction Scope 3 per € turnover of steel products compared to 2015
- Level 5 CO₂ Performance Ladder for Construction & Real Estate
- All homes completed by us to be energy-neutral homes

CO₂ and energy results

CO₂ EMISSIONS PER SCOPE 2015 – THE NETHERLANDS*



CO₂ EMISSIONS PER SCOPE 2015 – THE UNITED KINGDOM*



* KPMG has granted assurance for these values.

To reduce CO₂ emissions, we take a good look at what we can do ourselves, for example on our construction site, and where we need partners, for example to make the resource chains more sustainable. Our targets for reductions in the chain focus on the two main sources of emission in the chain: the extraction and production of resources, and the use phase of buildings and infrastructure. We aim to make our main CO₂ intensive resources more sustainable and to develop energy and CO₂-saving concepts, such as our energy-neutral homes.

Extraction and production of materials

The extraction and production of our main materials, concrete, asphalt and steel produces high CO₂ emissions. Our goal is to reduce the CO₂ intensity of these materials. We do this by encouraging

our suppliers to achieve low-energy production, use alternative or recycled resources and to optimise the composition of concrete and asphalt mixes. In addition, we are in continuous consultation with our principal suppliers about reducing CO₂ emissions. As part of the Green Deal

Beton (Green Deal for Concrete) we are working with our partners and other stakeholders on making the concrete chain more sustainable. There is significant overlap here with our resources policy, for instance in the area of recycling within the resource flows (old asphalt to new asphalt, rubble to concrete, old steel to new steel). These targets are

therefore monitored together where these related issues are concerned.

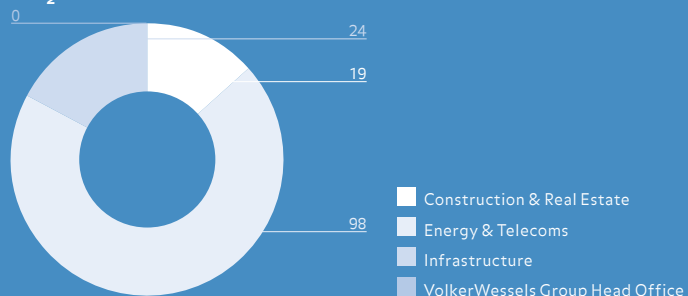
Use phase

Where buildings such as homes and offices are concerned, in the use phase, the energy consumption produces by far the most CO₂ emissions. So reducing this energy consumption and making it more sustainable has a significant impact. As part of the programme 'De Stroomversnelling', together with other construction companies and corporations, we are converting 110,000 existing homes into energy-neutral homes (zero on the meter). The energy needed in the homes is generated sustainably. By placing smart facade elements with integrated sustainable systems around the home, VolkerWessels is able to complete such a conversion in a day.

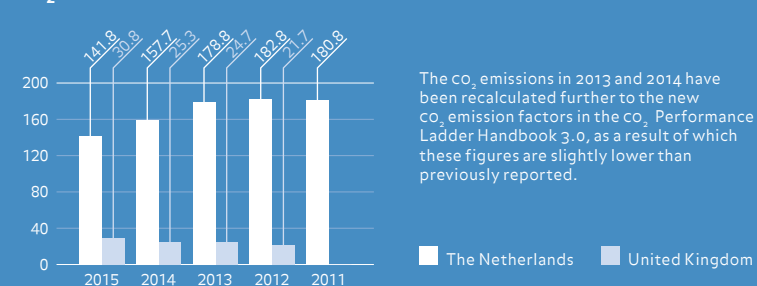
“Zero on the meter renovation in 1 day using smart facade element.”

Our concept MorgenWonen also allows us to construct new energy-neutral buildings in one day. These homes are fully fabricated in our own production line, including the sustainable systems, such as solar panels and heat pump. We then put the different parts together on site in one day. Not only does this save time, but also a lot of energy during the construction process and transport. Our office buildings offer potential for energy savings too. During the renovation of the existing Alliander office in Duiven, for example, we installed a climate chamber, solar panels and heat/cold storage. Not only is this building

CO₂ EMISSIONS PER SECTOR 2015 – THE NETHERLANDS

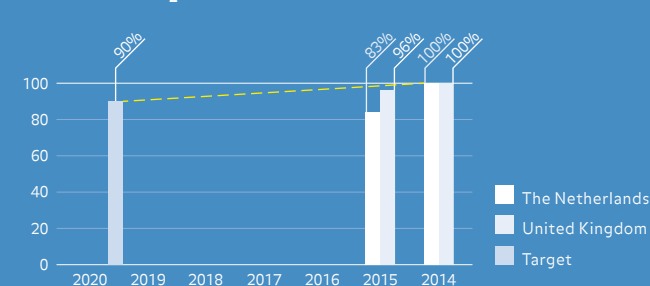


CO₂ EMISSIONS IN KILOTONNES* (total)



* KPMG has granted assurance for these values.

RELATIVE CO₂ EMISSIONS (according to turnover, in % compared with 2014)



now fully independent, but it actually delivers energy to the surroundings as well.

As well as buildings, infrastructure also demands a significant amount of energy. For example, tunnels use a lot of energy. Our operating company, which specialises in tunnel engineering, therefore signed a statement of intent along with other parties in the sector, supporting more energy-efficient tunnels in the Netherlands. This is how we contribute to achieving the ambition to reduce the energy consumption of existing and new tunnels.

Our own core process

To reduce the emissions of our own core process, we are focusing on reducing the emissions from our offices, our production locations, our construction sites and our vehicle fleet. We do this, for instance, by encouraging efficient driving behaviour and use of materials, making the vehicle fleet more sustainable and using renewable energy. By applying our concept the ‘Duurzame Bouwplaats’, we are repressing energy consumption on the construction site, for example by using highly economic site huts and energy-efficient lighting. The fall in CO₂ emissions can be ascribed to the sectors Energy & Telecoms and Infrastructure, partly because fewer highly energy-intensive projects and more projects close to home are being implemented (Energy & Telecoms sector) and through bringing the reporting process on emissions in projects with a minority interest in line with the group-wide standard process (Infrastructure sector). The relative emissions (kg CO₂ per €turnover) fell in 2015 in both the Netherlands and the

United Kingdom compared with 2014. The drop in the Netherlands, of 17%, is the biggest, due to the increased turnover and fall in absolute emissions.

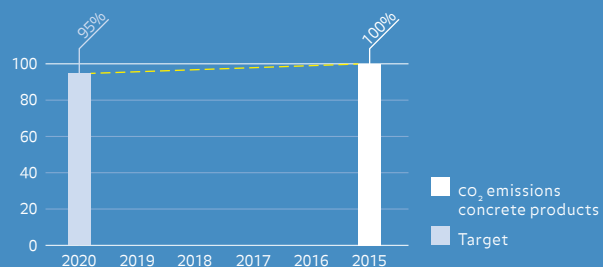
Smart construction logistics

The construction sector is responsible for 20% of the transport in the Netherlands and this produces significant emissions and high energy consumption. A well-organised and well-planned logistics process ensures the fewest possible transport movements and reduces traffic nuisance. As part of the project ‘de Trip’ in Utrecht, VolkerWessels, the knowledge centres TNO, University of Applied Sciences Utrecht, Rotterdam University of Applied Sciences and TU Delft joined forces to apply smart construction logistics in practice. In addition to these knowledge centres, various VolkerWessels operating companies, including building and property development and plant business, and our transport company supplier LaFaber were involved. This public-

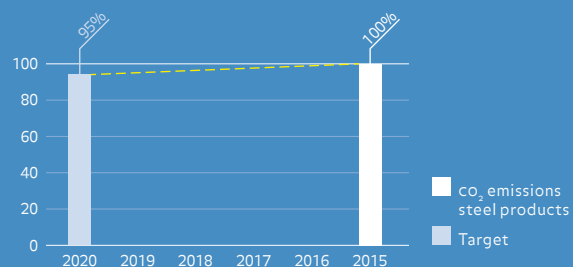


CO₂ EMISSIONS CONCRETE, STEEL AND ASPHALT PRODUCTS (SCOPE 3)

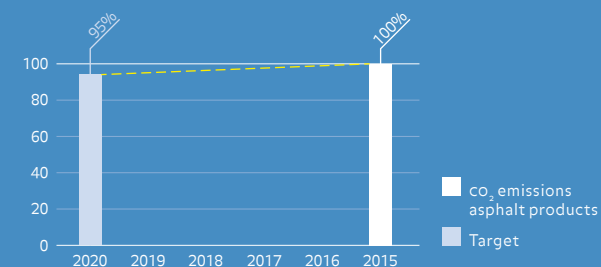
CONCRETE



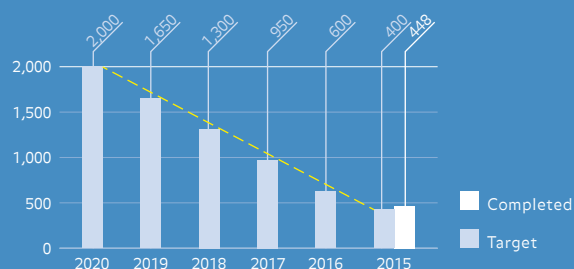
STEEL



ASPHALT



NUMBER OF ENERGY-NEUTRAL HOMES A YEAR



private partnership was formed within the Topconsortium Kennis en Innovatie (TKI) of the top sector logistics and aims to encourage more innovation in the logistics sector.

The practical solutions include a construction logistics hub, coordination of construction logistics on the construction site and at the hub and the smart linking of software systems for directing all the logistics processes.

KPIs are being formulated to establish the impact of these smart solutions for construction logistics on the performance of the production process and a measuring programme has been set up. Despite the fact that the main benefits are not expected to become manifest until the end phase of the construction, the initial results have already been achieved. During the structural work,

specific construction activities were performed at the hub in a covered area. Because in this way poor weather did not result in delays, we saved time in our schedule. During peak hours a shuttle service from the hub to the construction site prevents significant inconvenience caused by all the construction vans on and around the construction site. This means fewer transport trips, fewer emissions and more parking spaces for the surroundings. From the initial calculations it emerges that, as a result of using the hub at 'the Trip', we can expect to see a 54% reduction in the number of freights, which is equivalent to a CO₂ reduction of 24% and a particulate matter reduction of 23%. In the coming period we will make detailed assessments of the use of the hub in practice and expect to be able to substantiate savings even better.

Monitoring and adjusting

Modern technologies are essential when assessing and adjusting our energy consumption. Informative apps about driving behaviour and fuel consumption can have a positive impact on our employees' behaviour. To optimise construction logistics, the connections and interactions between different information and software systems are essential. To ensure the proper performance of sustainable systems and to get to know more about how these systems function during use, we monitor our MorgenWonen projects.

The new technologies and information flows are facilitated by the underpinning infrastructure of equipment and networks. At the same time there is the emergence of the decentral generation of renewable energy. These developments make the smart coordination of supply and demand and even the switching on and off of individual equipment more important. Sensors, real-time information and operating systems need a connecting infrastructure. Within our Energy & Telecoms sector we contribute ideas about the demands this makes on the continuity, reliability and availability of systems and



“A control tower, where central control is carried out using **modern technology** for sharing information, is needed to better manage the logistics in the application of smart construction logistics concepts such as in the ‘de Trip’ project.”

Siem van Merriënboer
Logistics Consultant
TNO

Energy-neutral in practice

In 2015 VolkerWessels constructed more than 400 energy-neutral homes, of which more than 300 of which were MorgenWonen projects. A service contract was also agreed for a large number of these homes. This service contract includes a monitoring system, which monitors the functioning of the systems and the energy flow. As a result, the extent to which the projects actually achieve energy-neutral in practice can be monitored.

Data from the first project monitored in this way show that the particular homes have performed above expectations as regards energy generation using solar panels and the energy consumption of the heat pump. The residents also profited from the above-average amount of sunshine in 2015.

Prognosis for solar transmittance in 2016 for 600 homes:

- Solar transmittance of approx. 3 million kWh;
- Solar transmittance has a total value of approx. € 600,000;
- Solar transmittance saves more than 1,500 tonnes of CO₂.



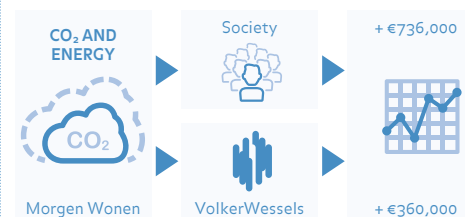
“A energy-neutral home is not only a conscious choice, but also a smart one: additional charges are deductible and a house of the future is certain to keep its value in the future.”

Fedor Broekhoven
MorgenWoning resident

telecom networks and we help develop the solutions needed.

Responsibilities

Just as for the other sustainability themes, we also have central targets for CO₂, but the main responsibility for implementing the reduction measures lies with our operating companies. They have their own CO₂ Performance Ladder certification, which means that a system is established at the operating company for improving the CO₂ performance and achieving the targets. As a key indicator, the CO₂ performance of each operating company is discussed every quarter in the quarterly meetings between our Board of Management and the directors of our operating companies. For the Scope 3 targets we start by establishing for which operating companies these targets are relevant before continuing with the same procedure. ■



Society: Annual fall in energy charges and environmental charges due to energy consumption and CO₂ emissions being avoided at 400 energy-neutral homes. **VolkerWessels:** Once-off savings on transport charges, because of fewer transport movements needed for each home to be completed. These amounts are indicative and based on assumptions. They are available on our website: <http://www.volkerwessels.com/nl/corporate-responsibility>

Highlights in 2015

- 448 energy-neutral homes delivered
- Second MorgenWonen production line commissioned
- Start made on monitoring chain targets
- In addition to the 'de Trip' pilot, another 5 projects for optimising construction logistics were started
- Infrastructure and Energy & Telecoms sectors at the highest level 5 on the CO₂ Performance Ladder, Construction & Real Estate at level 4

Actions in 2016

- Continue to develop lease policy
- Apply the construction logistics concept in more projects
- Collect data on optimisation of added value in construction logistics
- Promotion of Construction & Real Estate to level 5 of the CO₂ Performance Ladder
- Develop value chain targets for concrete, asphalt and steel



The activities at our construction project sites have an undeniable impact on the surroundings. This might be local inhabitants or road users, but, depending on the location, it might also be nature.

Local inhabitants and visitors are given a tour of the new A4 during the 'Dag van de Bouw' (Construction Day).

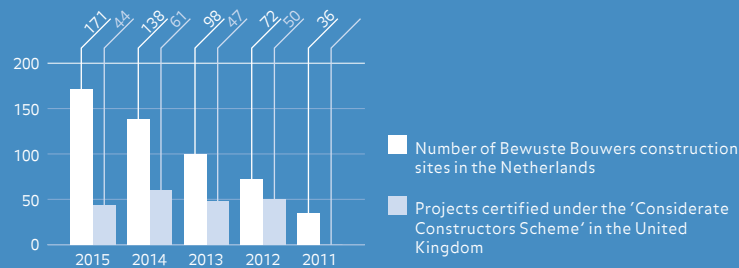
When we perform our work, it is essential that we consider the surroundings and the various stakeholders. VolkerWessels is one of the initiators of Bewuste Bouwers and puts the accompanying guidelines into practice on its construction sites. We perform our role as a good neighbour in practice with our smart work methods, clear and predictable communications and tidy and safe construction sites.

Public Liaison Management targets for 2020

- 100% of the projects in line with the Bewuste Bouwers guidelines
- Register at least 150 projects a year with Bewuste Bouwers
- 15 projects with 2 measures from the sustainable construction site guidelines
- 15 projects with 2 measures from the Menukaart Bouwlogistiek (Construction Logistics Menu)

Public Liaison Management results

PUBLIC LIAISON MANAGEMENT



As a member of Bewuste Bouwers, we aim for all our projects to comply with the guidelines. We intend to register at least 150 projects a year with Bewuste Bouwers. In 2015 we achieved this with room to spare with 171 registered construction sites. The clear upward trend in the number of registered construction sites shows that awareness is increasing. VolkerWessels wants to continue this trend by continuing to communicate in the years ahead about the importance and substance of these guidelines. In the United Kingdom we are a member of the Considerate Constructors Scheme, the sister organisation of Bewuste Bouwers. In 2015, 44 construction sites in the United Kingdom were registered.

Consideration for the environment is also an essential part of the Guiding Principles for Contracting Contractors. We also ask our contractors to conform with these principles. In addition, our General Terms and Conditions also contain clauses on limiting nuisance for the surroundings and ensuring the safety of users and passers-by.

We put the five pillars of Bewuste Bouwers into practice in different ways. We put the Social pillar into practice in our Sustainable Construction Site concept. With this concept we measure and improve our performance in relation to ten indicators in the area of people, planet and profit, which are important on and around the construction site, such as satisfaction with the surroundings. We also provide, for example, tips and best practices for the sustainable layout of the construction site. With a tidy construction site and attention for the appearance of the site we also put the Cared For pillar into practice.

Bewuste Bouwers

	Bewuste Bouwers code of conduct	How we apply this in practice:
Social	A Bewuste Bouwer (considerate constructor) is the construction sector's business card	Sustainable construction site, construction logistics
Cared for	A Bewuste Bouwers construction site is clean and tidy	Sustainable construction site (appearance, tidiness)
Environment	A Bewuste Bouwer is considerate to the environment	Sustainable construction site, CO ₂ , energy and Resources policy, construction logistics
Safe	A Bewuste Bouwer makes sure the construction site and the surroundings are safe	Sustainable construction site, safety chapter
Aware	A Bewuste Bouwer communicates proactively	Public liaison management



“The ‘**Graafschadevrij-initiatief**’ (Dig without damage) of VolkerWessels Telecom and Reggefiber contributes to the safe conduct of contractors and technicians and as a result to the product we jointly deliver to our customer.”

Elmer Wiemer
General Manager
Reggefiber

The ‘Environment’ pillar is automatically put into practice, described in detail in the chapters ‘Resources’, ‘CO₂ and Energy’ and ‘Biodiversity’. Waste, energy and smart transport are part of our pilots on the optimisation of construction logistics and the Sustainable Construction Site. Working Safely for ourselves and the surroundings is our number one priority, as we describe in the Safety chapter. The last pillar, Aware, is put into practice by us in a clear and predictable communication with our surroundings.

Contributions to the surroundings

Smart implementation methods can make a significant contribution to satisfied surroundings. For example, during digging activities we apply the latest digging techniques, such as brushing machines and ground penetrating radar systems. This allows us to work more quickly, create less noise and aim for ‘right first time’, which contributes to noise reduction. In addition, we develop initiatives to involve the surroundings in the project in other ways. For example, in 2015 we held guest lectures about one of our projects in Leiden at primary schools. During the lectures, we gave children a practical explanation about safety and the blind spot. ■

Highlights in 2015

- 171 Bewuste Bouwers construction sites in the Netherlands
- 44 construction sites certified under the Considerate Constructors Scheme
- 3 VolkerWessels projects in the Bewuste Bouwers list of 10 top scorers in 2015

Actions in 2016

- Collect measurement data on optimisation of added value in construction logistics
- Continue to develop construction logistics menu based on experience in initial projects
- Increase awareness of Bewuste Bouwers



During our work we come into contact with nature in several ways. This might be the nature surrounding our project. Sometimes nature development is even part of our activities.

We also have an impact on nature elsewhere in the value chain, for example when extracting resources, which is at the expense of the local nature and biodiversity. For this reason, we seek to take maximum account of our natural surroundings and the environment in our policy. A major issue is biodiversity: the different varieties of animals and plants in our living environment.

Our social and economic sustainability fundamentally depends on healthy ecosystems. The disappearance of natural habitats and exploitation by hunting or fishing are the main causes of the decline in biodiversity, followed by climate change. How can VolkerWessels help?

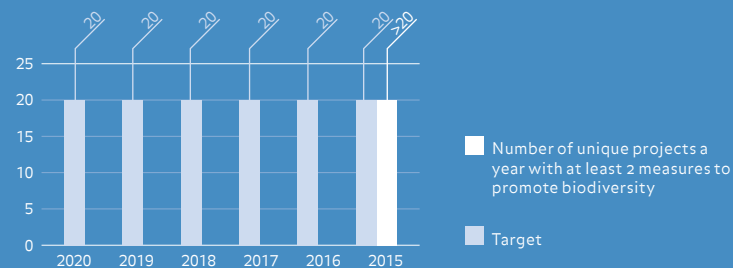
Entrance to the Wildlands Adventure Zoo Emmen. This zoo is being constructed by VolkerWessels.

Biodiversity targets in 2020

- Rolling out an internal campaign for promoting biodiversity
- 20 projects a year with at least 2 measures to promote biodiversity
- Biodiversity scan at 3 operating companies a year
- 2 inspirational projects a year

Biodiversity results

BIODIVERSITY MEASURES



By purchasing responsibly produced wood, we tackle the loss of forests elsewhere in the world. Locally in and around our projects we encourage our operating companies to take additional measures in projects that increase the ecological added value of a location. Consider planting indigenous vegetation, constructing natural river banks or creating nests or habitat for bats.

Our policy focuses first and foremost on creating awareness of the importance of biodiversity and how our projects can contribute to this. To this end we have drawn up a checklist with our own ecologists containing additional measures that promote biodiversity and that can be applied in projects.

These are extra initiatives that we apply in addition to any statutorily required mitigating or compensating measures under flora and fauna legislation. In our group-wide sustainability newsletter, the issue of Biodiversity has been given a permanent place. This is where we explain measures or announce inspirational projects in the field of biodiversity.

Measures to promote biodiversity

The checklist and increasing awareness are intended to encourage the application of as many additional measures in our projects as possible. Not all measures are weighted equally: we weigh the measures ranging from minor (for example a small bat box) to major (for example constructing a pond). In addition to introducing measures, we also want to complete several inspirational projects each year, which promote biodiversity.

As a submission for the Otter Challenge, one of our operating companies has introduced a variant of the FaunaSafe (an eco corridor with a cattle grid). This Ottersafe is a new kind of corridor, highly suited to the otter. This solution means that otters no longer need to cross the road when travelling through natural areas in the Netherlands. Together with Dutch nature and environmental organisations, the Otter Challenge seeks experts, students, entrepreneurs and companies to ensure the otter's structural survival in the Netherlands, with 1000 in 2020 as its target.



“VolkerWessels shows that even one of the biggest construction companies can quickly make the **purchase of wood** (products) sustainable. This is an **important fact** for other construction companies that have not yet taken this step.”

Liesbeth Gort
 Manager
 FSC Netherlands

When planting vegetation around the Haga Hospital, VolkerWessels placed an insect hotel in a flower border that attracts a lot of insects.

In the IJsseldelta project, part of the Ruimte voor de Rivier (Space for the River) programme run by Rijkswaterstaat, a large area of wetlands (marshy land with lots of reeds) has been created, for example along the bypass. The ideas and experiences we gain from this project can also be applied to contribute to nature in projects where nature is not part of the assignment.

Biodiversity provides an opportunity to contribute to a better quality of life. To put this into practice, we are currently researching with the Universities of Utrecht and Rotterdam where we can contribute the most within the prevailing biodiversity and legislation. In doing so we are in line with recent EU research into the social costs and benefits of (loss of) biodiversity. We collect the best practices from projects in which additional measures are taken with respect to biodiversity to add these to the list of measures. Many of our BREEAM projects are an example of this.

Dilemma

Sadly, in 2015 we have not managed to implement the planned Biodiversity Scans in practice. We observe that in our internal organisation there is not yet as much attention for the biodiversity issue as we would like to see on the basis of our targets. To better understand the reason for this and what we can do about it we are consulting with partners who conduct research into such problems. In this way we look forward to sharing knowledge with other parties and to work together to find solutions. ■

“Sometimes creating or restoring nature is a key task for VolkerWessels in a project.”

Highlights in 2015

- Second place in the Otter Challenge
- Checklist of measures to promote biodiversity in projects
- >20 unique projects in 2015 with at least 2 additional biodiversity measures

Actions in 2016

- Permanent column on biodiversity and measures in projects in group-wide sustainability newsletter
- Implement biodiversity scans
- Continue FSC Covenant
- Research additional measures with universities



Alongside safety and sustainability, integrity is one of the three core values of VolkerWessels. We seek to belong to the group of companies that only works with companies and partners who, just like us, understand the huge importance of acting with integrity.

To be sure that we belong here, we have to focus on this theme continuously.

Gain awareness, promote and safeguard. We also encourage our colleagues to act with integrity. The basis for this is our code of conduct, in which we set out principles that can be used as a basis for assessing our acts, and our anonymous Confidential Line for safely reporting breaches of this code. We also expect our suppliers, subcontractors and partners to act professionally and with integrity. In this way we work together on a culture of openness, responsibility and integrity.

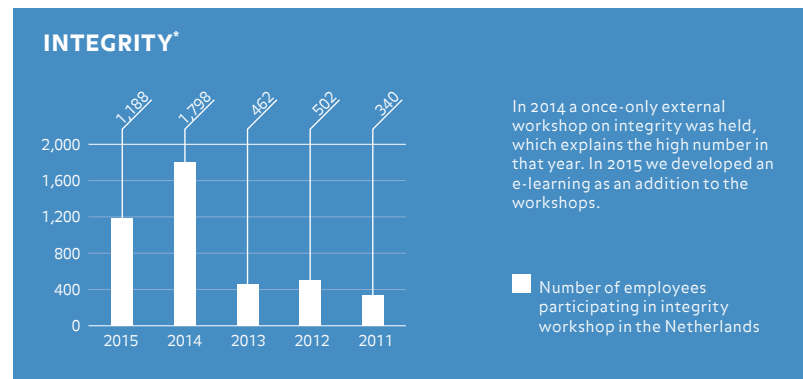
During integrity workshops we provide information about our code of conduct and confidential line.

Integrity targets in 2020

Every employee should know:

- 1. how he or she should approach integrity dilemmas within his or her field of work
- 2. who he or she can contact if he or she wants to consult about this
- 3. to whom he or she can report any breaches of the code of conduct

Integrity results



Acting with integrity is an absolute condition for obtaining and keeping the confidence of all our stakeholders, such as principals, suppliers, creditors and employees. Failing to meet these requirements and expectations in the areas of integrity, generally accepted standards and values and the national and international legislation could threaten the continuity of our entire group. The group-wide Integrity Platform therefore takes initiatives that make colleagues (even more) aware of this issue, and

it encourages initiatives that promote and safeguard acting with integrity.

Code of conduct

The goodwill and commitment of all VolkerWessels employees form the basis for acting with integrity. Our code of conduct provides principles and guidelines for acting with integrity. These guidelines regard, among other things, the contact between ourselves, subcontractors and suppliers and fellow

contractors, bribery and corruption, fraud and theft, conflicts of interest and fostering fair competition. Sanctions can be imposed if the code of conduct is breached. Our Confidential Line procedure sets out how employees can report a breach of the code (anonymously) and how this is followed up.

In 2015 we worked on a draft to update the code of conduct and a special Social Media guideline. These will be adopted in 2016 and communicated to all employees.

Because social opinions change, a periodic review is needed and desirable to ensure that our integrity policy continues to be relevant.

Confidential adviser and confidential line

All our employees and external business relations can, regardless of their function or relation, report (suspected) malpractices in VolkerWessels. Suspected serious malpractice includes fraud, undesirable contacts, theft or undesirable influence. These reports can be made (anonymously if wished) to the confidential adviser of the particular operating company (the Compliance Officer) or to the central confidential adviser (the Chief Compliance Officer). VolkerWessels has a whistleblower scheme for this: the Confidential Line scheme. We increase awareness of the services of the confidential adviser and the scheme through good information and communications.

In 2015, 33 reports were made to confidential advisers in the Netherlands (2014: 49)¹. Of these reports, 13 have led to dismissal. In the United Kingdom 11 reports were made (2014: 8)¹. The definitions applied in the United Kingdom are different.¹ We observe that the number of reports made in previous years fluctuates. To what extent does VolkerWessels act with integrity? It is tricky to draw conclusions based on the number of reports. These fluctuations might be the result of more breaches, or indeed mean that people are more aware of how to contact the confidential adviser. In any case, we see the fact that awareness regarding integrity is increasing as a positive signal.

Responsibilities

The Board of Management has ultimate responsibility for the integrity policy. The CFO is the first point of contact, and a second delegate from the Board of Management chairs the Integrity Platform. The Integrity Platform is responsible for creating awareness among employees of the importance of the issue and for fostering and safeguarding integrity. The Platform consists of directors of different operating companies and two delegates from the Board of Management. At group level we have a Chief Compliance Officer (cco). All the operating companies have their own Compliance Officer. The cco monitors the integrity policy with the assistance of the group department Risk Management and encourages awareness among employees.

* KPMG has granted assurance for these values.

¹ In the United Kingdom reports are made on grievances. The definition of grievances is different from what is understood in the Netherlands by failing to act with integrity. In addition, culture differences mean that complaints in the Netherlands and in the United Kingdom are not comparable.

Awareness

VolkerWessels has a programme of integrity workshops. In 2015 various workshops were once again organised in our group. On entering into service, each new employee is given a copy of the code of conduct. In addition, integrity is a permanent item on the agenda in our department meetings and in the meetings of the Board of Management with the directors of the operating companies. In 2015 all employees also received a letter from the Board of Management containing the name of their own Compliance Officer, by which the importance of the issue and the code was again emphasised. In addition, further to an

incident, another letter was sent to all employees by the Board of Management delegate responsible for the companies in the Construction & Real Estate sector, pointing out the fact that residual material may not be sold for cash. This is how we work to create more awareness among our employees. In 2015 we developed an e-learning tool in order to be able to inform employees still more effectively. In this tool, launched in early 2016, dilemmas are presented that are tailored to the employee's own job. In 2016 we want to develop workshops based on the findings of this e-learning tool.

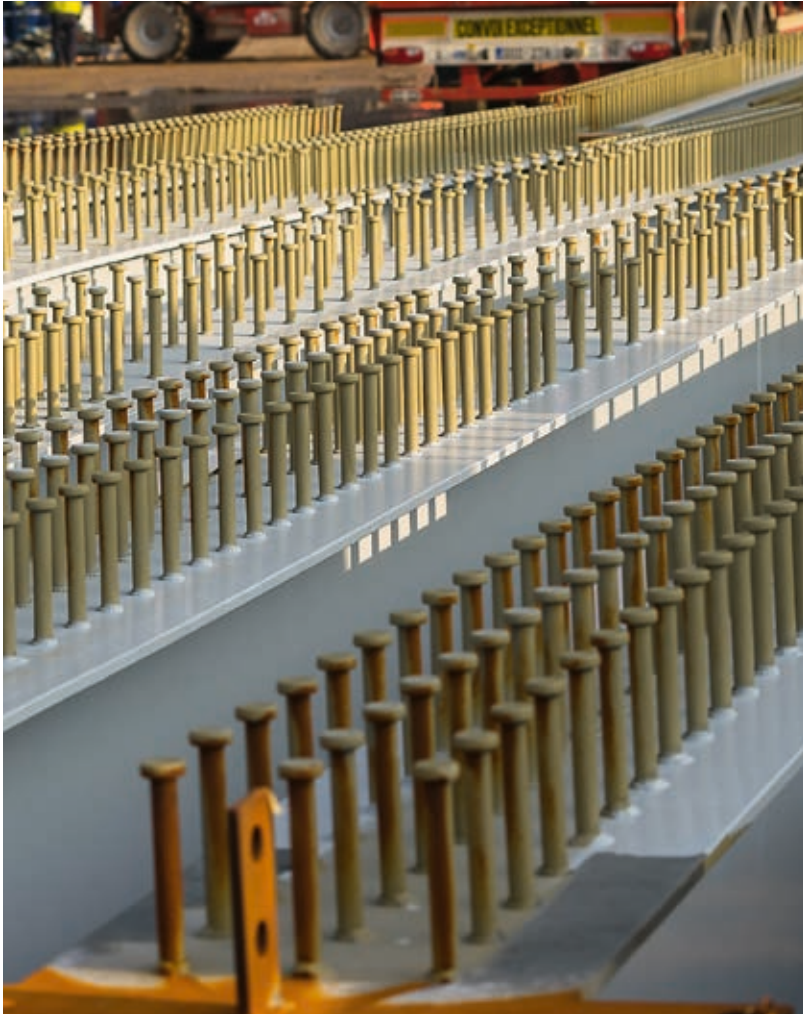


“The Sustainability Challenge challenged me as a student to contribute ideas about **Smart City concepts**. Now at Primum I'm allowed to spend the days working on making VolkerWessels more sustainable. Nice, isn't it?”

Ines Nijland

Student

Sustainability Challenge



Chain responsibilities

Obviously acting professionally and with integrity is not only a permanent item on the internal agenda. It also plays a central role in our contacts with market parties and our surroundings. We expect the parties we work with to attach the same importance to integrity as we do, and that suppliers also act professionally, transparently, with consideration for society and with integrity. Our General Terms and Conditions require contractors to comply with our code of conduct and with the Guiding Principles for Contracting Contractors, which focus on chain responsibility and professional partnerships. These Guiding Principles were drawn up in partnership with six other major Dutch construction companies. Our own operating companies have to account to the Board of Management in the Control Statements each year about how they put these principles into practice in their own policy.

In 2015 the Integrity Platform decided to replace the target we had adopted in 2014 (belonging to the top three most integer construction companies) with another target. It has emerged that to make the former target properly measurable is too complex and time-consuming. In addition, the Integrity Platform is of the opinion that it is less useful to compare ourselves with others, but that we should on the contrary make sure that our own organisation is integer according to our own yard sticks (our code of conduct). The time and energy it costs to research how to make the former target measurable will be spent on further improving and communicating our integrity policy. To ensure that we continue to pursue the ambition contained in the former

target, we will instead start focusing more on the available best practices and knowledge in the network of UN Global Compact. This is why the Board of Management has decided to join the UN Global Netherlands Network, in which Dutch companies who have signed up to the Global Compact work together to apply the principles. Particularly in the area of chain responsibility we hope to learn more from other companies so that we can improve our policy still further.

If we observe a breach of our code by a supplier or subcontractor, depending on the breach, a serious meeting is held with the subcontractor or supplier or the subcontractor or supplier is immediately dismissed. ■

Highlights in 2015

- Code of conduct updated
- Social Media Guidelines drawn up as an annex to the code of conduct
- 1,188 participants in integrity workshops
- E-learning tool developed
- Central Works Council (cwc) day on the integrity issue
- Fraud risk policy drawn up

Actions in 2016

- Develop a system to measure integrity
- Launch e-learning
- Continue integrity workshops



It is the dream of VolkerWessels to make a positive contribution to peoples' quality of life. This is about the person behind the project.

Quality of life is about subjective values such as happiness, wellbeing and the freedom to make your own choices. Contributing to this is the best way to do business. For us as a group, but also for our individual employees. This is why our ultimate goal is 'Building a better quality of life together'.

How do we define quality of life?

What does this mean for society? And what partnerships do we need to achieve this ambition? We are aware that by expressing this ambition we are making a serious announcement that needs a serious strategy. In this quest, working together with partners and stakeholders is essential.

We continuously ask ourselves: what does the end user consider to be important?

Quality of life targets in 2020

- Work together to realise a better quality of life



VolkerWessels building the city of the future A city that has everything and where nothing is lost. This video explains our vision.

Go to https://vimeo.com/135446109_149248415 to watch the video

Why quality of life?

Why do we at VolkerWessels want to engage in improving quality of life? Our approach is that everyone (our end user, the consumer, the citizen) ultimately wants one thing: quality of life. People are also prepared to pay for this. Our vision, conviction and hope is that society will move in this direction increasingly more, and more quickly. The more we are able to move with it, the more successful we will be as a company.

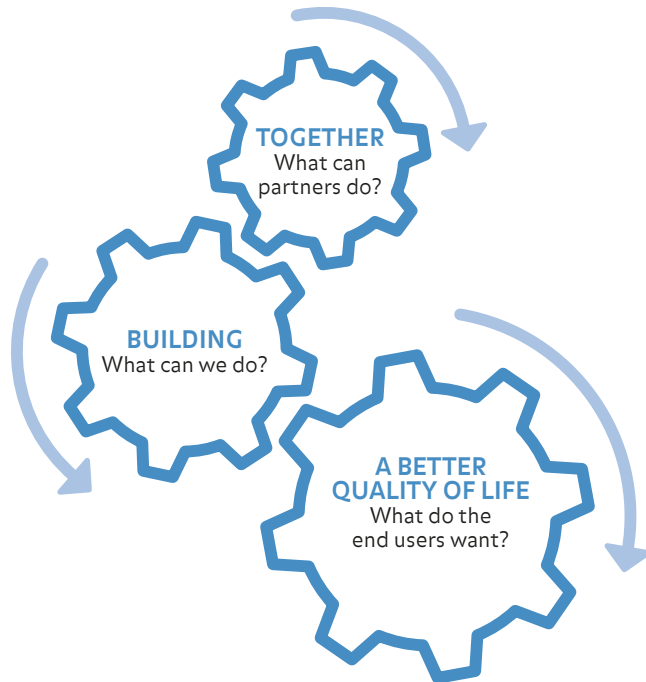
We also see the internal added value of the strategy. When we are seen to contribute to society, our employees can be proud of their work, and their creativity will be focused on coming up with innovative, sustainable and enterprising solutions.

How do we go about this?

This target not only gives rise to questions from our surroundings, but among ourselves as well. This is why we have defined four key questions that support our strategy:

Question	Strategy
What do end users want?	Dialogue with end users (Project I: Sterrenberg Huis ter Heide, Construction & Real Estate)
What can we do ourselves to contribute to a better quality of life?	Practical measures that contribute to quality of life. (Project II: Car park at Jaarbeursplein Utrecht, Infrastructure)
What partners do we need to be able to meet the wishes of the end user?	Creation of a value case for quality of life (Project III: Sustainability Challenge, Energy & Telecoms)
And how do we define and measure quality of life?	Contribute question as a case in the 'Social Value Creation' business coalition of De Groene Zaak (at group level)

We answer each question with a practical strategy. To involve our operating companies and make the translation to our projects, we have selected three projects (one per sector), in which we develop one of the key questions. To make optimum use of the knowledge at other companies and knowledge centres and to develop this further together, for the fourth question we cooperate in a coalition of 'De Groene Zaak': a business platform for sustainable leaders.



1. In practice (Construction & Real Estate) - Pilot Project Sterrenberg Huis ter Heide

We approach the quality of life theme emphatically from the point of view of the end user. For this reason we visited this target group at one of our projects, the Sterrenberg housing estate in Huis ter Heide. During the residents' evening we discussed with residents what quality of life means to them. Such discussions teach us a lot about what end users consider important. Half the residents attending named sustainability as a decisive factor in choosing a home.

What contributes to quality of life:

(examples from the residents' dialogue)

- Less time spent travelling
- Freedom of choice (kitchen, finishes, etc.)
- Being able to grow old together in a home
- Plenty of green areas in the neighbourhood
- Tips and tricks for sustainable use of the home
- Working with green financiers



“No words but actions: VolkerWessels has now translated its mission into actual pilots. In the programme **Creating Social Value**, VolkerWessels has done pioneering work to make the broad concept ‘quality of life’ measurable and tangible.”

Mark Beumer

Knowledge & Media Programme Manager

De Groene Zaak/Het Groene Brein

2. In practice (Infrastructure) – Pilot project Car Park at Jaarbeursplein Utrecht

We want to better understand what we can do in our projects ourselves to improve the quality of life of the ultimate end user. In this project we research and implement practical measures and measure the effect on the end user. What can we do, where can we exercise influence and what is the added value? On top of the car park, which is being constructed under one of the busiest points in the heart of Utrecht, plenty of vegetation will be planted with meeting places. We research how, together with partners such as the municipality, we can introduce optimisations that contribute to quality of life. We also draw up a measurement plan to chart the effect.

What contributes to quality of life: (examples of measures)

- Use and reuse of natural materials and plants
- Good connection to and information about public transport
- Free drinking water
- Optimum connection (mobile connection, WiFi)
- Meetings and events on the square

3. In practice (Energy & Telecoms) - Pilot project Sustainability Challenge

We cannot realise our ambition on our own. The key word is partnership. How do we give this partnership practical form in a value case? This is preeminently a question for the 'next' generation. This is why the Energy & Telecoms sector, which is confronted with a significantly changing market itself, called on the assistance of students during the Sustainability Challenge. Twenty students worked on a proposition regarding the Smart City, a city that improves the quality of life because new digital applications are supported by both the government and the citizens. In a follow-up to the Challenge we are looking for and are holding talks with the partners we need to be able to realise this case together.

What contributes to quality of life: (example of value case)

- A combination of knowledge about the latest innovative techniques and the opportunity to contribute to the quality of life in Smart Cities. In the vision of the VolkerWessels student team 'Blue Eyes - Green Minds' the Smart City allows better social connectedness and improved health. Time, money and resources in Smart Cities are widespread and not only economic value, but also social value is added.

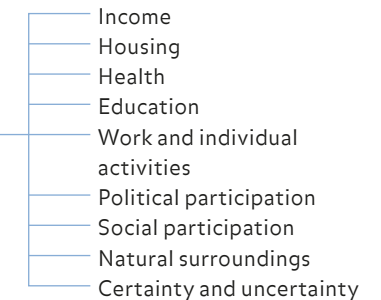
4. Making quality of life measurable: Business coalition for Creating Social Value

Defining and making a concept as broad and diffuse as quality of life measurable is a huge challenge. We have to do this to substantiate and put our strategy into practice. Our participation in the Creating Social Value business coalition of 'De Groene Zaak' gives us the opportunity to learn from the experiences of others and means we don't have to reinvent the wheel. We have worked on our measurability problem together with our coalition partners - NS, Vebego and USG People - and knowledge partners - EY, KPMG, TruePrice and scientists.

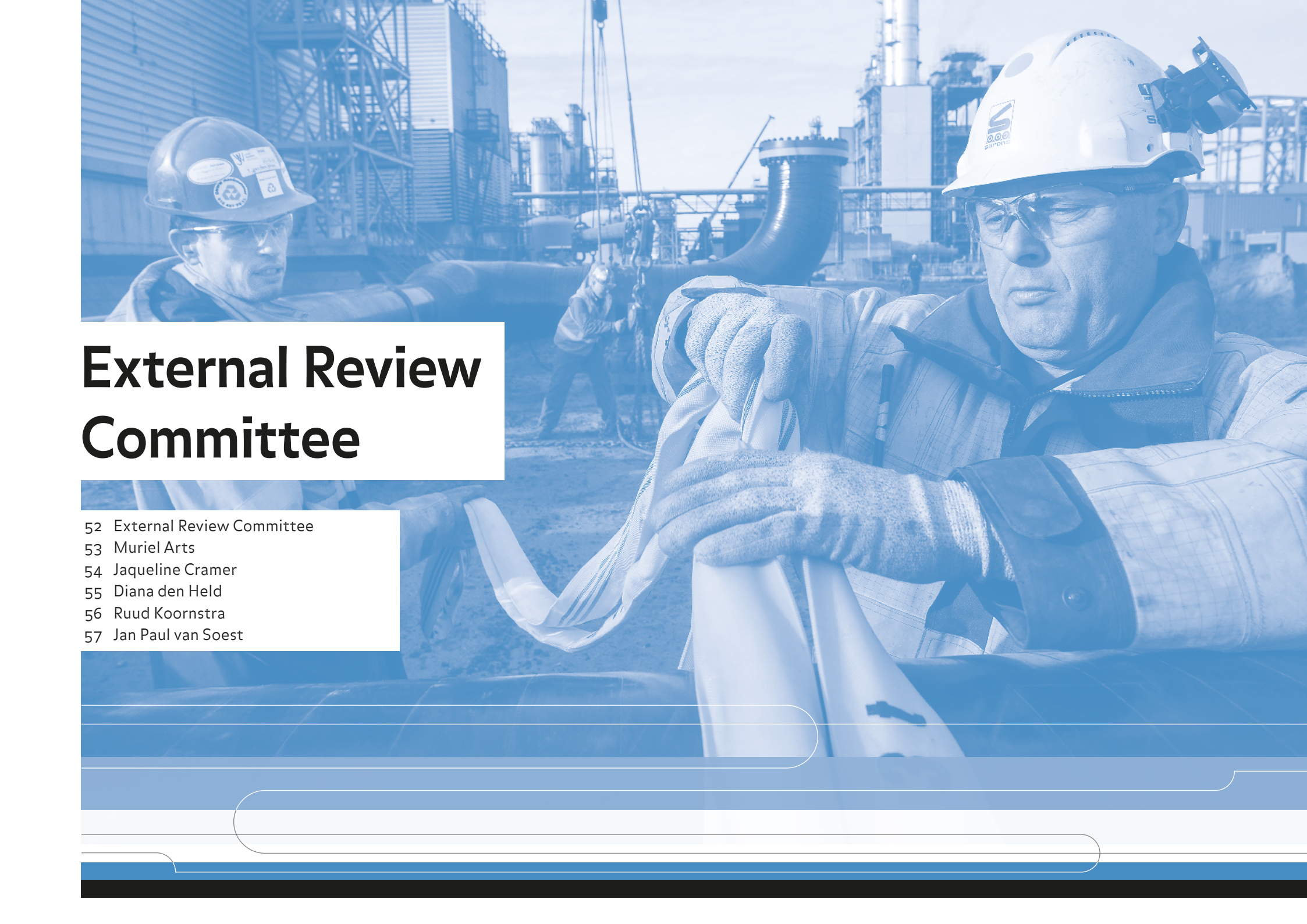
The main lessons from the coalition are: bring focus to the strategy, approach the quality of life from the point of view of the end user, and define quality of life with reference to existing research on quality of life (see figure). We put the experiences and lessons from the coalition into practice in our pilot projects and we have also shared these in two publications:

- World Business Council for Sustainable Development 'Social Capital in Decision-Making'
- Whitepaper 'Sociale Waarde in Kaart' (mapping Social Value). ■

QUALITY OF LIFE



Quality of life covers several aspects and is a very broad concept. Several definitions are possible. Our list of nine aspects is in line with existing research, including that conducted by the Stiglitz Commission and the Dutch Social and Cultural Planning Office.

A blue-tinted photograph of an industrial site. In the foreground, a man in a white hard hat and safety glasses is focused on a task, wearing heavy-duty gloves. In the background, another worker in a dark hard hat is visible, and the industrial structures of a refinery or chemical plant are seen under a clear sky.

External Review Committee

- 52 External Review Committee
- 53 Muriel Arts
- 54 Jaqueline Cramer
- 55 Diana den Held
- 56 Ruud Koornstra
- 57 Jan Paul van Soest



It is increasingly important to involve (external) partners in our central theme 'quality of life' and to work with them to achieve our targets.

Our dialogue with end users is an important first step, but we aren't there yet. We also need the knowledge and experience of experts to really understand how we can contribute to quality of life. Therefore, in 2015 we asked a committee of five independent experts to think along with us for the first time. We call this committee the External Review Committee. We put three questions to them:

1. What are we doing right?
2. What should we do less?
3. What should we do more?

The past year the experts from our External Review Committee have joined in debates on these questions, have challenged our managers and have attended our stakeholder dialogues.

We will continue to do this in the future to give substance to our ambitions in the field of quality of life.

The External Review Committee challenges our managers in the discussion on the theme of quality of life.

In the context of the sustainability strategy and the annual corporate responsibility report, I was asked to help and make recommendations with reference to three questions.

Muriel Arts

Researcher sustainable strategy and impact measurement for companies

Rotterdam School of Management Erasmus University

1. what is going well and should be continued,
2. what should be done less and
3. what should be done more.

The central question was: 'Does VolkerWessels contribute to quality of life sufficiently?' On the basis of the draft report, the sustainability strategy and three sessions with a larger group of internal and external stakeholders, including delegates from the Board of Management, here is a picture of what emerged.

VolkerWessels is intrinsically motivated to contribute to a sustainable environment with positive results for a broad group of stakeholders. For employees, customers,

partners, local authorities and communities and nature on which VolkerWessels has an impact. Relevant stakeholders in each value chain (construction & real estate, infrastructure and energy & telecoms) are identified and involved and projects are developed together with them. There is a common, company-wide vision, specifically 'building a better quality of life together'. VolkerWessels increasingly looks, thinks and acts with reference to the different needs of end users and society, a prerequisite for shared and sustainable value creation. And sustainability is embedded in the corporate values and among the company managers. There are also

practical projects with objectives and KPIs for each business unit. Based on the current business situation and the ambition, three development themes are relevant to VolkerWessels. This is partly due to developments in the surroundings (risks and opportunities, and their impact on business) and partly due to customer, business unit and employee needs. VolkerWessels could benefit from making the overarching ambition more practical and measurable in each value chain and business unit. And by starting to see the specific societal challenges in each value chain as potential new markets and by accelerating the ambitions based on

product and service innovations. By then measuring the output, outcome and impact on the result side, it will become clearer which activities create shared value, which destroy value, and which are more compliance activities (value retention). All of this can contribute to a sustainable competitive advantage in the long term and sustainable value creation for all stakeholders.



VolkerWessels has taken clear steps towards Corporate Social Responsibility (CSR).

Jacqueline Cramer

Professor of Sustainable Innovation, Utrecht University, Strategic Adviser to the Utrecht Sustainability Institute (USI), member of the Amsterdam Economic Board

They focus on all the procedural aspects of CSR, including a thorough reporting in accordance with the Global Reporting Initiative (GRI) guidelines. This makes CSR 1.0 complete. VolkerWessels has also put the next step – CSR 2.0 – in motion: increasing the performance in terms of People, Planet and Profit through innovations within the company. For the company to achieve greater breakthroughs in the urban environment, it now faces a new challenge (CSR 3.0): to make transitions towards a circular economy and sustainable energy together with users and customers in new alliances and different revenue models. The pursuit of quality of life, as suggested by VolkerWessels, can serve as a unifying concept in this. VolkerWessels needs to define quality of life more clearly without tying this

definition down. The challenge is to put this concept into practice through co-creation with stakeholders on a project basis. VolkerWessels has a good basic position from which to accept the CSR 3.0 challenge: it covers all the substantive technical aspects necessary to ensure the viability of cities for the future. Moreover, its decentralised organisational structure makes it possible to achieve co-creation locally, along with the users and customers, and to include societal wishes in the design and realisation of construction projects. How the innovation programme reflects this should be explained better. Because the strength of the strategy lies in the innovations VolkerWessels wishes to achieve with stakeholders. My advice: Communicate your strategy more clearly and take

leadership in building alliances. This makes the company distinctive, credible and pioneering on the market.

“Communicate your strategy more clearly and take leadership in building alliances.”



The content of the report corresponds to the impression I got of VolkerWessels during the External Review Committee meetings: thoughtful with an open mind to the future.

Diana den Held

Strategist and lecturer Cradle to Cradle (C2C) & Circular Economy (CE)
Rotterdam School of Management, Erasmus University

VolkerWessels is not an organisation that runs after trends like a headless chicken; strategic choices are very well considered. At the same time, the team that deals with sustainability and CSR is remarkably ambitious and the report also shows that top management gives them space. There is no question as to whether VolkerWessels wants to deal with the themes of the future. However, the organisation is still occasionally searching for a way of integrating important issues holistically.

As a C2C & CE strategist, I look pointedly at the targets: are these formulated in terms of 'damage limitation' or in terms of making a 'positive

contribution'? With only a minor adjustment, goals such as 'energy-neutral buildings' can be transformed into 'surplus energy buildings', meaning that a building supplies more energy than it uses, which helps accelerate the transition to a world that runs on renewable energy.

In the report I see a mix of both types of targets and I naturally hope that in some areas VolkerWessels will adjust the ambitions just a little.

“Strategic choices are very well considered.”



This sustainability report by VolkerWessels shows very promising examples of sustainable innovations, inventive ways of working together, and a well-considered idea of where to go from here.

Ruud Koornstra

Stichting Delta 9

It is clear that VolkerWessels is willing, in spite of a sector that is not always cooperative. Sustainable innovation often requires cooperation: risks are shared, mutual expertise is utilised. It is therefore unfortunate that legislation and regulations so often prohibit partnerships in the construction sector. Not entirely without reason: conflict of interest is not allowed. But strengthening interests is a necessity. This makes it important for the entire sector that the internal and external confidence is restored. VolkerWessels could and should take the lead here. Suppliers, subcontractors, project developers, builders, civil society organisations and principals could restore this

confidence through the greatest possible transparency and the formulation of common targets.

If VolkerWessels wants to realise the radical innovations that are already hinted at in the report, cooperation is essential. Take the example of car parks. In 2015 we are still building these and it's good business to do so. But join principals, financiers and other builders in considering the possibilities for this real estate when developments such as driverless cars will make car parks largely obsolete by 2025.

In 2025 I hope, finally, that we once again feel the appreciation for the craftsmanship that goes into

construction - and that this feeling has been reactivated by VolkerWessels. We tend to forget that every detail from a perfectly finished facade to the straightest wall in the Netherlands requires concentration, skill and dedication. It's a craft.

Don't allow yourselves as VolkerWessels to be fobbed off with the minimum acceptable quality. Change the game. Take a walk through Amsterdam or Utrecht and admire the canal houses. That's beauty! Then you realise the underlying value case. These properties have existed now for five hundred years (speaking of ecological value) and the highest prices on the market are paid for

them (speaking of financial value). Give craftsmanship a free hand again today. A beautiful facade on a house may cost a few hundred euros extra, but helps to ensure that a building retains its value forever. Appreciate people in the construction industry more. Treat your subcontractor as an expert and trust professionals. They can manage themselves, as organisations like Buurtzorg prove. That delivers multiple value - and makes people proud of the work of VolkerWessels.



By definition, a construction company that puts 'quality of life' at the centre is interesting.

Jan Paul van Soest

Partner De Gemeynt, member of 'Het Groene Brein', author of, inter alia, *De Twijfelbrigade* (The Doubt Brigade)

This raises the right questions: what does VolkerWessels mean exactly? Quality of life for whom? Residents and users, or also the ecosystems in which projects and plans are being developed? It would be helpful to make the tensions, the trade-offs between potential targets, more visible. This would provide a basis for sharing and discussing the dilemmas with relevant stakeholders. This can be done in a general sense, but also by focusing on individual plans and projects, in a neighbourhood, a car park, a bridge, you name it. Make visible what 'quality of life' is and where the dilemmas are.

A bold statement, a Big Hairy Audacious Goal or BHAG, for example, would be: provide maximum quality of life for the users of our structures and services, leaving a positive footprint on the planet on which we work. In this light, it is very much appreciated that a factor such as biodiversity is mentioned. With the growing focus on climate as a significant impact, the other planetary impacts such as biodiversity and water are being glossed over. VolkerWessels does well to draw attention to these. In a broader sense, it therefore seems sensible to take the full range of the planetary impacts as normative.

The sustainability ambitions and method of VolkerWessels seem to be played out behind the scenes. That is understandable, but a pity: on a broader front, there is a lot to learn from the leaders in the construction industry, definitely by government authorities who are needlessly conventional in their tenders (the lowest price is often decisive). As a result, numerous talents remain unutilised. Given the impacts of our economy, just think of climate change and what's needed to avoid exceeding the agreed

two degrees of warming, not only incremental, but also innovative solutions are needed. Apparently VolkerWessels also has these in-house. A target like 'maximum quality of life with a positive footprint' helps mobilise these system innovations. Broader communication of this target can also persuade others to be more daring.



About this report

- 59 About this Report
- 61 Assurance
- 62 Annex Sustainability Figures
- 66 Definitions
- 71 Colophon

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As-found SSS object
As-given UXO object



Scope

In this report we report about subcontractors and suppliers as we develop innovations together with them. We do not report on their safety or CO₂ performance. This does not mean nothing is known about these. For example, where the CO₂ Performance Ladder demands that we impose conditions on subcontractors and suppliers, we know their footprint. However, because this knowledge is limited, we have chosen to keep their performance outside the scope of our reporting.

Since 2013 we have been reporting the performance of all our operating companies in the UK. The data of our UK companies are separately collected and displayed by theme. In 2015 there were some internal changes that have no impact on the consolidated figures.

The primary target group of this report consists of our stakeholders, who are interested in our activities in Europe – mainly in the Netherlands and the UK – where we develop our activities in various sectors in a wide area. Our operations in the United States and Canada have a different character, as they take place on a narrower field. Partly for that reason, reporting on these countries is less relevant to our stakeholders in the Netherlands and the United Kingdom.

Following an assessment by the Board of Management, we have explicitly chosen to limit the scope from 2013 to the Netherlands and the United Kingdom, in the belief that this best meets our stakeholders' needs for information. The projects that are part of our other foreign operations are outside the scope

of this report. One of our operating companies has its own incinerators for waste wood. We have not included this in the current CO₂ footprint. In 2015, 120 tonnes of wood were burned in this installation.

Combinations, partners and new entities

We have included combinations or partners in this report in which we have control. A combination with a non-VolkerWessels company in which there is joint control is excluded. This practice is consistent with the Dutch guideline for financial reporting, GAAP. In the UK all joint ventures are included in the sustainability report. The substantive themes for VolkerWessels are determined based on various stakeholder dialogues and a survey among employees. More information can be found in the annex 'Materiality Analysis', available on the website.

In 2015 we involved acquired companies or combinations, in which the share in 2015 changed to more than 50%, in the reporting process and these will be included in the reports in 2016. Acquisitions and/or majority interests acquired in 2015 therefore have no impact on the figures. This concerns a few companies that, according to our assessment, have no significant impact on the overall figures. In 2015 there were no deacquisitions that have an impact on the reporting.

CSR Strategy

Our revised CSR Strategy has been prepared on the basis of market research, best practices and the strategy of VolkerWessels. We conform to the internationally recognised guidelines of the Global Reporting Initiative

(GRI, version 4). In 2014 we adopted the GRI 4. From this moment we report conform the GRI 4 in accordance with 'Core' option.

The GRI table is available on the website. The CSR strategy of the British operating companies has been aligned with the group strategy. In the UK strategy thirteen themes are selected, which differ slightly from the Dutch definitions. The definitions are deviated from for the themes of 'Integrity', 'Safety' and 'Resources'. This will be explained, if applicable, in the relevant section of this report.

In 2015, two new targets were added to the objectives for the theme 'Safety'. One of the targets for 'Integrity' is also adjusted as described in this chapter Integrity. The target for the number of energy-neutral homes has been increased to 600 in 2016 and 2,000 in 2020.

Readiness assessment

VolkerWessels has formulated some new value chain goals in 2014, as a result of which we reduce the use of primary resources in the value chain while enhancing the quality reuse of material. In 2015 we made a baseline for these figures at some of our companies and had a readiness assessment conducted of this. On the basis of the points for improvement from this assessment a baseline for 2015 will be made in 2016 and performance in 2016 will be measured and monitored. This involves the value chain targets for concrete, asphalt and steel and the corresponding CO₂ emissions in the value chain.

Data collection

For the uniform collection of data, we have compiled a reporting manual for the Netherlands and the United Kingdom. To calculate the CO₂ footprint of both our Dutch and British operations, we apply the guidelines and emission factors used by SKAO. From 1 January 2016, the CO₂ emission factors in the SKAO Handbook 3.0 apply. This creates a (minimal) deviation in CO₂ emissions compared to the previous guideline (SKAO Handbook 2.2). Therefore, the CO₂ emissions are calculated retroactively from 2013 using Handbook 3.0, so that the comparison with previous years is pure.

This year extra attention was given to registering hired workers. As a result, the number of available hours has gone up. Some of our companies calculate their health & safety figures in line with working days rather than calendar days. We have made an impact analysis of the maximum deviation this causes in the figures. It emerges that this is not significant. Due to a different calculation of the number of days available (200 versus 365 days), there is an effect on the rate of absenteeism.

Any recalculations and definition changes are explained in the text and footnotes. In previous years the resources category 'sand and minerals' appeared not to consolidate correctly into the total amount of waste. The figures for waste were therefore adjusted retroactively from 2013. Since 2014 VolkerWessels has used the data management system 'CSR Report' from CO₂ management to collect all sustainability data.

With the transition to this system, VolkerWessels is continuously working on the target to continuously improve and professionalise its data collection, validation and analysis. As part of the transition, a quality improvement has been implemented for the figures for 2013, which has resulted in a restatement of the figures for 2013. From 2015, the data are validated internally on a quarterly basis, with a view to achieving more reliable figures and creating more awareness throughout the organisation. In doing so, VolkerWessels performs comprehensive internal audits on the sustainability figures. Based on this, we continually improve the reliability of our sustainability figures. We also use Horizon for financial data, employee data and safety data.

Monitoring

In previous years we have made efforts to increase the robustness of our monitoring system. More and better data leads to more reliable figures. This is reflected in, among other waste figures, CO₂ and safety. We are working increasingly with correct figures rather than conservative estimates. The improved figures are therefore partly due to performance, and partly due to the improved monitoring system.

In addition, from 2015 the monitoring and evaluation of key indicators has taken place on a quarterly basis rather than annually, and these figures are discussed by the directors with the Board of Management. Because we have not been able to collect reliable data for 2014, we have chosen to change the base year

to 2015 for these targets only and to use 2015 as a baseline.

Future reporting policy

We intend to launch a pilot project in the future to expand the scope to Canada and the United States. In addition, in 2015 we started a process to gain better understanding of the value chain and to formulate policies accordingly, for example in the 'Raw materials' theme with regard to asphalt, concrete, wood and steel. A readiness assessment will be conducted of this in early 2016. To better communicate the added value and impact of the sustainability policy, we identify the economic, environmental, ecological and social monetary value of our policy.

External Assurance

To guarantee the reliability of our figures, we have asked KPMG to verify our report on the Netherlands and the United Kingdom and to issue an assurance report (see Assurance Annex). It did so for specific data in the themes 'Security', 'CO₂', 'Raw materials' and 'Integrity' (see Annex Sustainability Figures). In addition, KPMG conducted a Readiness Assessment for new KPIs for social return, resources, recycling and Scope 3 emissions.

Monetising

Monetising the impact of our activities on both society and VolkerWessels creates credibility, support and a discussion framework for making our policy and projects more sustainable. This year we focus on some of the most sustainable projects and targets. These amounts are indicative and based on assumptions. In 2016, together with some

stakeholders and social parties, we focus on further expanding and monetising our impact on the theme 'Quality of Life'. The assumptions, calculations and sources used are available on our website¹.

Feedback

Please contact csr@volkerwessels.com if you have feedback or questions about our sustainability report.

¹ www.volkerwessels.com

Independent auditor's assurance report

To the readers of the Sustainability Report 2015 of Koninklijke Volker Wessels Stevin N.V.

Conclusion

We have evaluated information on selected indicators and accompanying explanatory notes for the themes CO₂, resources, health & safety and integrity for both the Dutch and the English activities, marked with an (*) in the Sustainability Report 2015 (hereafter: the indicators) of Royal Volker Wessels Stevin N.V. ('VolkerWessels).

Our activities did not reveal any inconsistencies in any of the materially relevant aspects between the information on the indicators and the internal reporting criteria as described in the chapter 'About this Report'.

Reporting on consistency

In as much as we are able to assess this, we report that the sustainability information in the other parts of the Sustainability Report 2015 is consistent with the information on the indicators.

Data included in the comparison that have not been investigated

No assurance has been conducted on the comparable data included in the Report relating to the selected indicators of the United Kingdom for 2011. We therefore give no guarantees about these data included in the comparison.

The basis for our conclusion

We have completed our assignment in accordance with the Dutch Standard 3810N: 'Assurance engagements with respect to sustainability reports.' We do not provide any assurance on the achievability of the targets, expectations and ambitions of VolkerWessels.

Our responsibilities under Standard 3810N and the work carried out are described in the section 'Our responsibilities in the assessment of the indicators'.

We are independent of VolkerWessels as required by the Dutch 'Regulation on the independence of auditors during assurance engagements' (ViO) and other relevant independence rules in the Netherlands. In addition, we have complied with the Dutch 'Regulation on rules of conduct and professional rules for auditors' (VGBA).

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

VolkerWessels Management's responsibilities for the indicators

The management is responsible for ensuring that reports are prepared on the indicators in accordance with the internal reporting criteria as described in the chapter 'About this Report'. The indicators in the Sustainability Report 2015 should be considered in connection with these criteria.

In this context, management is responsible for such internal control as it determines is necessary to enable the preparation of the indicators without material misstatement, whether due to fraud or error.

Our responsibilities in the assessment of the indicators

Our responsibility is to plan and perform the assurance engagement so that we obtain sufficient and appropriate assurance information for our conclusion.

We apply the Dutch 'Further rules for accountancy firms for assurance engagement' (RA). On grounds thereof we have a coherent system of quality control, including established guidelines and procedures relating to compliance with ethical requirements, accounting standards and other relevant laws and regulations.

Our engagement has been performed with a limited degree of assurance. Activities when performing an engagement with a limited degree of assurance are aimed at determining the plausibility of information and are different in nature and timing and less extensive than the work performed in obtaining a reasonable degree of assurance.

The selected activities are based on our understanding of the indicators and other engagement conditions, as well as our reflections on areas where there might be potential material misstatements.

We performed the following activities:

- interviews with staff responsible for analysing and reporting the indicators;
- evaluating the systems and processes for collecting information, for internal controls and for processing the information on the indicators;
- visiting three locations in the Netherlands and one location in the United Kingdom with the aim of assessing the reliability of the indicators for those sites;
- reviewing internal and external documentation, on a part test basis, to determine whether the data and related explanatory notes for the indicators are supported by sufficient evidence;
- an analytical review of data and trends relating to the selected indicators.

Amsterdam, 16 March 2016

KPMG Sustainability,
Part of KPMG Advisory N.V.

W.J. Bartels RA, partner

Annex Sustainability figures

SAFETY	2015	2014	2013	2012	2011
Sickness absence percentage					
VolkerWessels	3.2%	3.8%			
The Netherlands*	3.9%	4.8%	5.6%	5.2%	5.8%
Construction & Real Estate	3.7%	5.8%	7.3%	5.0%	6.1%
Infrastructure	3.8%	4.1%	5.0%	5.6%	6.4%
Energy & Telecoms	4.3%	4.9%	4.9%	4.5%	5.5%
VolkerWessels Group Head Office	2.6%	1.6%	1.8%	2.5%	1.2%
United Kingdom*	1.4%	1.4%	1.0%	1.4%	
Accidents resulting in absenteeism					
VolkerWessels	155	145			
The Netherlands*	113	115	125	145	195
Construction & Real Estate	46	30	32	54	74
Infrastructure	47	57	67	66	92
Energy & Telecoms	20	28	26	24	29
VolkerWessels Group Head Office	0	0	0	1	0
United Kingdom*	16	15	16	23	
Canada	9	14			
United States	3	1			
Number of fatal occupational accidents					
VolkerWessels	0	1			
The Netherlands*	0	1	2 ²	0	0
United Kingdom*	0	0	0	0	
Canada	0	0			
United States	0	0			
IF figure (Incident Frequency rate)¹					
VolkerWessels	5.3	5.2			
The Netherlands*	5.1	5.2	7.2	8	10.1
United Kingdom*	3.7	3.7	4.9	5.6	
Canada	6.3	9.0			
United States	10.3	4.2			
Number of employees of subcontractors that participated in our workshops	5,289				

RAW MATERIALS

	2015	2014	2013	2012	2011
Percentage of sustainable wood used	97%	92%	70%		
Separation percentage for construction and demolition waste*	64.8%	65.0% ⁵	70.9%	57.0%	56.5%
Total volume of waste (tonnes)					
The Netherlands	60,450	61,410 ⁴	107,466	80,472	
United Kingdom	345,000	377,120 ⁴	577,205	609,523	
Volume of hazardous substances collected and processed (kg)					
The Netherlands	375,610	550,780	649,248	625,447	502,877
United Kingdom	1,290,000	9,410,000	20,321,359	11,026,757	

EMPLOYMENT
**Deployment of workforce by age and gender (male/female)
(includes United Kingdom)**

<21	127/33	78/17	136/21	115/28	225/23
22-25	510/104	453/93	528/96	581/96	595/90
26-30	1172/209	995/177	1,122/181	1091/183	1113/173
31-35	1218/196	2,395/224	1,313/254	1306/256	1336/209
36-40	1353/170	1,236/203	1,442/228	1493/238	1555/251
41-45	1713/213	1,618/263	1,772/286	1765/295	1762/250
46-50	1905/181	1,683/175	1,863/213	1866/222	1877/213
51-55	1860/124	1,649/129	1,726/137	1669/126	1662/116
56-60	1533/87	1,512/78	1,524/102	1507/108	1553/155
61-65	752/47	650/47	636/52	581/40	494/30
65>	15/8	19/6	32/4	23/4	17/2
Total full-time/part-time by gender	12,158/1,372	12,062/1,637	11,871/1,464	11,997/1,595	12,189/1,512
The Netherlands					
Men full-time/part-time	94.0%/6.0%	93.0%/7.0%	94.1%/5.9%	94.4%/5.6%	
Women full-time/part-time	40.5%/59.5%	32.3%/67.7%	33.1%/66.9%	33.1%/66.9%	
United Kingdom					
Men full-time/part-time	99.7%/0.3%	99.0%/1.0%	98.1%/1.9%	99.5%/0.5%	
Women full-time/part-time	84.3%/15.7%	81.4%/18.6%	81.1%/18.9%	82.1%/17.9%	
Percentage of women participating in the Management Development Course (MOL)	6.3%				

	2015	2014	2013	2012	2011
Ratio of inflow and outflow of men and women (the Netherlands)					
Inflow of men	82.4%	81.3%	84.3%	79.9%	85.4%
Inflow of women	17.6%	18.7%	15.7%	20.1%	14.6%
Outflow of men	81.0%	82.9%	85.5%	86.8%	85.6%
Outflow of women	19.0%	17.1%	14.5%	14.2%	14.4%
Workforce by service years and gender (male/female) (includes United Kingdom)					
<2	134/375	2060/444	1,806/390	1705/381	2032/351
2-5	2712/356	2300/425	2,521/424	2884/451	3078/437
6-10	2452/245	2212/293	2,147/258	1885/257	1684/232
11-20	2279/240	2194/306	2,449/332	2474/340	2408/291
21-30	1584/70	2145/109	1,864/110	1779/109	1744/106
31>	3038/45	1156/55	1,307/60	1270/57	1243/55
Employment of Social Return Target Group					
People with a disadvantage on the labour market employed: PSO score	1.2%				
Average number of hours' training per employee					
The Netherlands	17	23	21	22	21
United Kingdom	16	12	24	29	
Average expenditure on training per employee (in euros)					
The Netherlands	720	693	783	760	673
United Kingdom	390	416	608	448	
Percentage of employees who have had regular performance and career interviews					
The Netherlands	73%	73%	73%	73%	66%
United Kingdom	50%	47%	46%	64%	
Number of trainees at VolkerWessels Academy	278	199	573	706	849

CO₂ AND ENERGY

CO₂ emissions per scope (kilotonnes)^{1,3}

The Netherlands	141.8	157.7	178.8	182.8	180.8
Scope 1	131.9	147.7	160.0	156.9	155.2
Scope 2	9.8	10.0	18.9	20.1	19.2
United Kingdom	30.8	25.3	24.7		
Scope 1	22.5	19.1	17.5	16.4	
Scope 2	8.4	6.2	7.2	1.2	

	2015	2014	2013	2012	2011
CO₂ emissions by sector (the Netherlands)³					
Construction & Real Estate	19.2	18.4	21.1	25.5	27.3
Infrastructure	98.3	106.6	124.5	125.9	122.2
Energy & Telecoms	24.3	32.7	33.3	30.4	29.3
VolkerWessels Group Head Office	0.0	0.0		1.0	1.9
CO₂ emissions by source					
Transport	42.9%	36.9%	52.6%		
Asphalt centres	27.2%	19.0%	29.2%		
Buildings	6.5%	3%	7.6%		
Projects	23.4%	41.1%	10.6%		
Number of energy-neutral homes	448				
MANAGING THE ENVIRONMENT					
Number of construction sites registered with 'Bewuste Bouwers'	171	138	98	72	36
Projects certified under the 'Considerate Constructors Scheme' in the United Kingdom	44	61	47	50	
BIODIVERSITY					
Number of unique projects with at least two biodiversity measures	>20				
INTEGRITY					
Number of reports to the confidential adviser⁴					
The Netherlands	33	49	50	30	21
United Kingdom	11	8	13	20	
Number of reports that have resulted in dismissal⁴	13	16	10	6	5
Number of reports of suspected breach of competition law⁴	0	1	0	0	0
Utilisation of the whistleblower's scheme⁴					
The Netherlands	3	3	1	0	1
United Kingdom	1	3	2	0	
Number of employees participating in Integrity Workshops, inter alia in the VolkerWessels Introduction Programme and other meetings⁵	1,188	1798	462	502	340

⁴ KPMG has granted assurance for these values.

¹ This year extra attention was given to registering hired workers. As a result, the number of available hours has gone up. Some of our companies calculate their health & safety figures in line with working days rather than calendar days. We have made an impact analysis of the maximum deviation this causes in the figures. It emerges that this is not significant.

² One of these two fatalities was at a subcontractor.

³ The CO₂ emissions in 2013 and 2014 have been recalculated further to the new CO₂ emission factors in the CO₂ Performance Ladder Handbook 3.0, as a result of which these figures are slightly lower than previously reported.

⁴ 2014 waste figures have been adjusted upwards compared with the previous publication further to enhanced insights. In the UK this has led to a significant increase (more than 9%); in the Netherlands the increase is small and not significant.

⁵ The separation rate in 2014 has been recalculated based on all waste flows in accordance with the method used in 2015. Previously only SITA information was used for this.

Definitions

Accidents involving absence from work An occupational accident involving absence from work is an occupational accident leading to absence from work by the injured person for more than one day, not including the day of the accident (VolkerWessels employee or hired employees). NB: This does not include Saturdays and Sundays. If an accident occurs on a Friday and the employee reports him or herself to be better on Monday, then this is an occupational accident not involving absence from work.

Average number of employees Can be determined by taking the average of the total number of employees over a certain period of time, in this case per year.

Bewuste Bouwers A certification that boosts the relationship of the construction site with the surroundings. The certification encourages good communication with the surroundings of construction sites and makes professionalism at the construction site visible. The initiators of 'Bewuste Bouwers' are VolkerWessels, BAM, Ballast Nedam and Strukton.

Biodiversity We define biodiversity as the variety of life forms in an ecosystem or even the entire planet.

BREEAM (Building Research Establishment Environmental Assessment Method) Assessment method to determine the sustainability performance of buildings. BREEAM sets a standard for a sustainable building and then indicates the performance level the building under investigation has achieved. The aim is to analyse buildings and issue a sustainability label (pass, good, very good, excellent and outstanding).

Building A building that is used (not specifically for a project) by a company as an office, warehouse, production site etc. permanently.

Construction & Real Estate (c&RE) Abbreviation in VolkerWessels for 'Construction & Real Estate'.

Construction and demolition waste Consists of the unsorted group of resources, which are released during work on a construction or demolition project. This group still has to be sorted, as a result of which pure resources are created, which are directly applicable at the final treatment company. Excluding asbestos/equivalent materials, eternit materials, roof renovation waste, sand, soil and debris.

CO₂ A gas that, inter alia, is released from the burning of fossil fuels (such as coal fuels and products made from petroleum). CO₂ is the gas that contributes largely to the greenhouse effect.

CO₂ footprint The total quantity of greenhouse gas that is emitted in a certain period of time, in this case by VolkerWessels.

Conversion factor	The conversion factor is different for each energy flow and for each fuel. This is used to calculate CO ₂ emissions. The conversion factors applied by VolkerWessels in 2015 are based on the CO ₂ Performance Ladder Manual 3.0. From 1 January 2016, the CO ₂ emission factors in the SKAO Handbook 3.0 apply. This creates a (minimal) deviation in CO ₂ emissions compared to the previous guideline (SKAO Handbook 2.2). Therefore, the CO ₂ emissions are calculated retroactively using Handbook 3.0, so that the comparison with previous years is pure.
CSR (Corporate Social Responsibility)	The abbreviation for corporate social responsibility.
CSR Platform	The VolkerWessels internal advisory platform for our Corporate Social Responsibility policy.
Employees	A person employed by a VolkerWessels operating company, including people who have been hired (seconded) to another VolkerWessels operating company.
Fatal occupational accident	A fatal occupational accident is an occupational accident resulting in the death of the person concerned immediately or within 30 calendar days after the accident. The person concerned only regards VolkerWessels employees or hired workers.
FSC Wood	Wood/paper with the FSC certificate of the Forest Stewardship Council. This indicates that the wood comes from a forest that is independently assessed by the FSC organisation as a well-managed forest according to environmental, social and economic standards.

General Terms and Conditions of Purchase	The general provisions that stipulate the conditions under which VolkerWessels purchases products and/or services from its suppliers. These conditions should be declared applicable as far as possible at the conclusion of agreements with other parties.
GRI (Global Reporting Initiative)	Internationally recognised standard for reporting on sustainability.
HERA SYSTEM (Highly Ecological Recycling Asphalt)	New technology for recycling asphalt, developed by KWS Infra.
Hired workers	Hired workers are temporary employees. For example agency staff, secondees, working under the direction of VolkerWessels, but not having an employment contract or subcontractor agreement with VolkerWessels.
Home	A living unit, including apartments.
HR(M)	Human Resources (Management)
Incident Frequency (IF)	Incident Frequency (IF), the number of occupational accidents resulting in absence from work (or death) multiplied by one million (hours) divided by the number of hours worked.
Innovation	The development of a new or improved product, concept or service. The innovation is new for both the company and the market for which it is intended. A sustainable innovation also adds value to the environment and is distinguished in VolkerWessels by the 'PlanetFit' label.

MVO	The Dutch abbreviation for maatschappelijk verantwoord ondernemen (corporate social responsibility).
NGO (non-government organisation)	An organisation that is independent of government and focuses on an assumed public interest in one way or another.
Number of hours worked	Number of hours worked is the total number of hours worked by VolkerWessels employees including hired employees. For this, (1) the number of hours worked by employees and (2) the number of hours worked by hired employees is registered. If companies do not register the actual hours worked (own employees or hired workers) then the number of employees should be multiplied by 1600 hours per year as standard.

Occupational accident	An accident occurring during and as a result of performing paid work, excluding accidents during commuting. In other words, occupational accidents occur during working hours, but not all accidents occurring during working hours are considered to be occupational accidents. An accident is only considered to be an occupational accident if the accident is also caused by the work, which is different from the previously applied CBS definition. This includes both fatal accidents and accidents at work resulting in absenteeism. NB: Accidents occurring during business trips do, however, fall under occupational accidents.
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PEFC Wood	Wood/paper of the Programme for the Endorsement of Forest Certification (PEFC) that contributes to the promotion of sustainable forest management.
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PlanetFit	The labels that stands for sustainable, innovative solutions of VolkerWessels. A product, concept or service is 'PlanetFit' if it adds demonstrable value to the market and the environment. In other words, it has to be profitable while at the same time demonstrably reducing the (negative) impact on the environment. An innovation is only PlanetFit after formal assessment by the CSR Platform and having been given a PlanetFit certificate for the particular innovation.
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PlusWoning	Home built under the 'PlusWonen' label, which stands for the sustainable construction concept developed by VolkerWessels.
Project	A temporary location at which work is performed.
Public liaison management	Actions aimed at the surroundings in which external parties are involved and recognised, such as residents, road users, businesses, the media, environmental groups, etc.
Resources	The flow that streams from work back to work (i.e., trade 'between' work). For example: rubble, asphalt (excluding asphalt containing tar), concrete.
Resource management	How we, as a group, intend to deal with our resource flows. Reducing and separating our waste flows for optimal reuse by us or another party has priority.
Reuse	Without any processing or transformation (a bottle remains a bottle). For example: sand, clay, grit.

Residual flow	That part of the waste flow originating from private parties, institutions and companies that remains after all the usable and recyclable waste flows have been removed from the principal flow. At VolkerWessels the residual flow is the waste that remains after the usual resources (for example: concrete and other granulates, metals, paper, cardboard, sand and wood) have been taken out of the principal flow.
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Separation percentage	Indicates what percentage of the total construction and demolition waste is separated during the collection and treatment of the waste (on location). The separation is determined by: $\frac{\text{Total weight of waste (tonnes)} - \text{weight of construction and demolition waste (tonnes)}}{\text{Total weight of waste (tonnes)}} \times 100\%$
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Scopes 1, 2, 3 (SKAO)	<p>Scope 1 – Direct emissions originating from the organisation itself, such as emissions caused by the organisation's use of gas and emissions caused by the organisation's vehicle fleet.</p> <p>Scope 2 – Indirect emissions caused by the generation of electricity used by the organisation, such as emissions originating from the power stations that supply this electricity.</p> <p>Scope 3 – This regards other indirect emissions. These are a consequence of the organisation's activities, but originate from sources that are neither owned by the organisation nor controlled by it. Examples are emissions arising during the production of purchased materials, the treatment of waste and the use of the work, service or supply provided by the company. VolkerWessels mainly reports emissions caused by air travel.</p>
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SKAO	Abbreviation for the 'Stichting Klimaatvriendelijk Aanbesteden en Ondernemen' (Foundation for Climate-Friendly Procurement and Business). This foundation is responsible for all affairs regarding the CO ₂ Performance Ladder, specifically the use, the development, the management and the certification scheme and expanding the number of participating sectors.
Sickness-related absenteeism rate	The sickness-related absenteeism rate indicates what part of the labour capacity has been lost in a specific period due to absenteeism. It is the most common reference for typifying absenteeism within an organisation. Contrary to other years, we use the VCA definition here. This includes employees and hired workers; subcontractors and third parties are not included.
Sickness-related absenteeism rate due to accidents	The total number of work days lost due to accidents / total calendar days x 100%.
Social return	VolkerWessels understands social return to mean all efforts in relation to its business operations or work on projects that enable people with an occupational disability and/or with a disadvantage on the labour market to participate in the labour market.
Supply chain	This refers to the chain of all business activities needed to meet the demand for products or services, from the exploitation of resources to the ultimate delivery to the end user.

Training expenditure	Total amount spent on internal and external training, excl VAT, incl material costs, hours etc., excl travel expenses.
Training hours	The total number of hours' training an employee has had, both internally and externally.
VCA certificate	Stands for Veiligheids-Checklist Aannemers (safety checklist for construction companies). A company that has a VCA certificate has an internal plan regarding health and safety and the environment aspects.
Waste	A combination of waste flows, which is reused, recycled, processed, incinerated with energy recovery or landfilled. In other words, the flows that go to the waste treatment company.

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Photography

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Date of publication

17 March 2016 (digital)

The financial report is published on
<http://www.volkerwessels.com/nl/financieel/jaarverslag-2015>

In the event of textual contradictions,
the Dutch version shall prevail

The Sustainability Report is available on
<http://www.volkerwessels.com/nl/corporate-responsibility>

