

# **Ballast Nedam Construction**

## **CSR Policy and implementation**

Report for substantiation of our  
**ISO 26000 Self declaration**

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Owner / responsible	Bramske van Beijma	Director Corporate Social Responsibility
Drafters	Sandra van Hulsen	External CSR Consultant De Duurzame Adviseurs (DDA)
	Patrick Ballast	Head of Sustainability
Approval	Martijn Smitt 	Executive Director

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## Introduction

In this report the Corporate Social Responsibility (CSR) Policy and approach to implement this policy of Ballast Nedam Construction is described. With this report we substantiate our ISO 26000 Self declaration. This ISO 26000 Self declaration is based on ISO 26000, guidance on social responsibility, and NPR 9026.

We already presented our CSR Policy 2021-2023 and annual CSR report 2020 as separate documents at an earlier stage. In this report these reports are combined to explain and highlight issues for the ISO 26000 Self declaration.

Our organisation is introduced in chapter 1. In chapter 2 the results of both a stakeholder and a materiality analysis are described, resulting in our CSR Policy. Furthermore, we explain the way we apply the seven principles of social responsibility in chapter 3. Finally, we report on our approach of our priority CSR issues, where the selection is based on the materiality analysis, in chapter 4. In chapter 5 a conclusion is presented.

## 1. Introduction of Ballast Nedam Construction

### 1.1 Who we are

We are an experienced, people-focused and result-driven Dutch construction and development company. For over 140 years we have made landmarks that contribute to a better living environment. These are small-scale local projects, large infrastructure works and complex high-rise buildings. In the Netherlands or abroad. Our projects are our core business, our people are our core value.

With the added value of our international parent organisation Rönésans Holding and the commitment of our professional and passionate people, we are in the position to take on these challenges more than ever. We are organised as a platform organisation, in order to facilitate our dedicated teams that fully focus on their markets and clients. It enables us to act with the agility of a local player, and the strength of a large construction company. Moreover, we are able to adapt to the best practices of our international experience and bring our unique Dutch abilities to the international market.

### 1.2 Organisational structure

Ballast Nedam Construction is proud to be part Ballast Nedam, who is part of the Rönésans Group<sup>1</sup>, which reinforces our international strength and global presence.

Ballast Nedam Construction is Ballast Nedam's largest division. Ballast Nedam Construction focuses on successfully acquiring and executing complex, integrated infrastructure projects, residential, commercial and utility buildings as well as mobility projects. It operates locally, nationally and internationally. Within our Construction division, specific expertise includes parking, civil structures, tunnelling, road solutions, onshore and offshore wind, marine works and foundation solutions.

Apart from division Ballast Nedam Construction, three other divisions are operating under the umbrella of Ballast Nedam: Ballast Nedam Development, Ballast Nedam Industriebouw and Ballast Nedam Concessions.

Ballast Nedam Construction is divided into specific Business Units. The total overview of all organisational units is summarised below:

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<sup>1</sup> Rönésans Holding A.Ş. and its subsidiaries 'Rönésans Holding' or 'Rönésans Group'

## Ballast Nedam's Organisational Units



Figure 1: Organisational units

Hereafter, 'Ballast Nedam Construction' is called 'Ballast Nedam', unless specified differently.

### 1.3 Corporate Social Responsibility

The construction sector makes a major contribution to society by realising infrastructure and real estate projects. At the same time, it has a huge impact on the environment in which it operates. With great dedication and skill, Ballast Nedam is working on future-proofing this environment, with endeavours ranging from small-scale assignments to large and complex projects at home and abroad, all with the aim of satisfying customers and end-users. Sustainability is a very important consideration that is enshrined in our policy. For this reason, Ballast Nedam embraces the Sustainable Development Goals (SDGs) of the United Nations, which underpin our CSR policy and strategy. Ballast Nedam also conforms to the World Bank's IFC Environmental and Social Performance Standards. The policy is geared towards lowering emissions and reducing our use of primary raw materials for the realisation of our projects.

## 2. Stakeholder Analysis, Materiality and CSR Policy

At the end of 2020, stakeholder and materiality analyses were organised to determine the main focal points and priorities for the 2021-2023 CSR policy.

Although we are in constant contact with our stakeholders through, for example, industry meetings, customer surveys and direct dealings, these analyses were used as a structured method for gaining an insight into the priorities and concerns of stakeholders in the field of CSR.

The stakeholder analysis was first applied, to check the current position of our stakeholders vis-à-vis

our company. Subsequently we performed a materiality analysis to determine the importance our stakeholders attached to certain CSR issues. In combination with our own qualification of importance of CSR issues considering the impact we can achieve, this enabled us to update the CSR policy. The stakeholder analysis is discussed in paragraph 2.1 and the materiality analysis in paragraph 2.2. The CSR Policy is then described in paragraph 2.3.

## 2.1 Stakeholder Analysis

A stakeholder analysis is used to analyse which stakeholders are most important to the organisation.

Using information available, a provisional stakeholder selection was made for Ballast Nedam, which was discussed with management representatives during internal workshops. On this basis, a final selection and analysis were performed, during which the stakeholders were placed in four quadrants based on the degree of influence they have over the organisation and the degree of interest they have in the organisation.

These stakeholders included customers, banks, insurers, governments and NGOs.

The strategy with regard to the different types of stakeholders is as follows:

- Quadrant 1: 'involve' stakeholders with the highest degree of influence and interest, i.e., the most important stakeholders.
- Quadrant 2: 'continue to satisfy' stakeholders with a high degree of influence and a low degree of interest.
- Quadrant 3: 'continue to inform' stakeholders with a high degree of interest but a low degree of influence.
- Quadrant 4: 'monitor' stakeholders with little influence over the organisation and little interest.

## 2.2 Materiality

In a materiality analysis, the issues that are most important to the organisation considering the impact that can be achieved and issues that are most important to stakeholders are identified, selected and prioritised.

Firstly, management representatives of Ballast Nedam discussed the desired focus in CSR, with a view to the impact that the organisation can realise and the mission and vision of the organisation. Based on this the most important Sustainable Development Goals (SDGs) of the United Nations were selected.

To retrieve the input of stakeholders, a number of stakeholders in Quadrant 1 were selected to be approached for an interview. Several stakeholders in Quadrants 2 and 3 were also approached to provide varied feedback. It was not deemed necessary to approach any stakeholders in Quadrant 4 as they have no influence and no interest on the whole.

The methodology subsequently used to perform the materiality analysis of the CSR issues was based on the requirements as set out in NPR 9026 for the ISO 26000 self declaration<sup>2</sup>. The issues taken into account were the 37 social responsibility issues of the ISO 26000, the guidance on social responsibility.

The results of the materiality analysis are set out in the figure below.

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<sup>2</sup> NPR 9026 for the ISO 26000 self declaration, clause 7: determined were relevance, significance and priority of the CSR issues. As 'material' or 'significant' were seen issues that are of importance to the organisation or stakeholder. Non-'relevant' issues were defined as issues currently can't be influenced by the organisation. 'Priority' issues were defined as issues that were regarded as most important. Criteria to determine materiality/significance, relevance and priority were also established, based on NPR 9026.

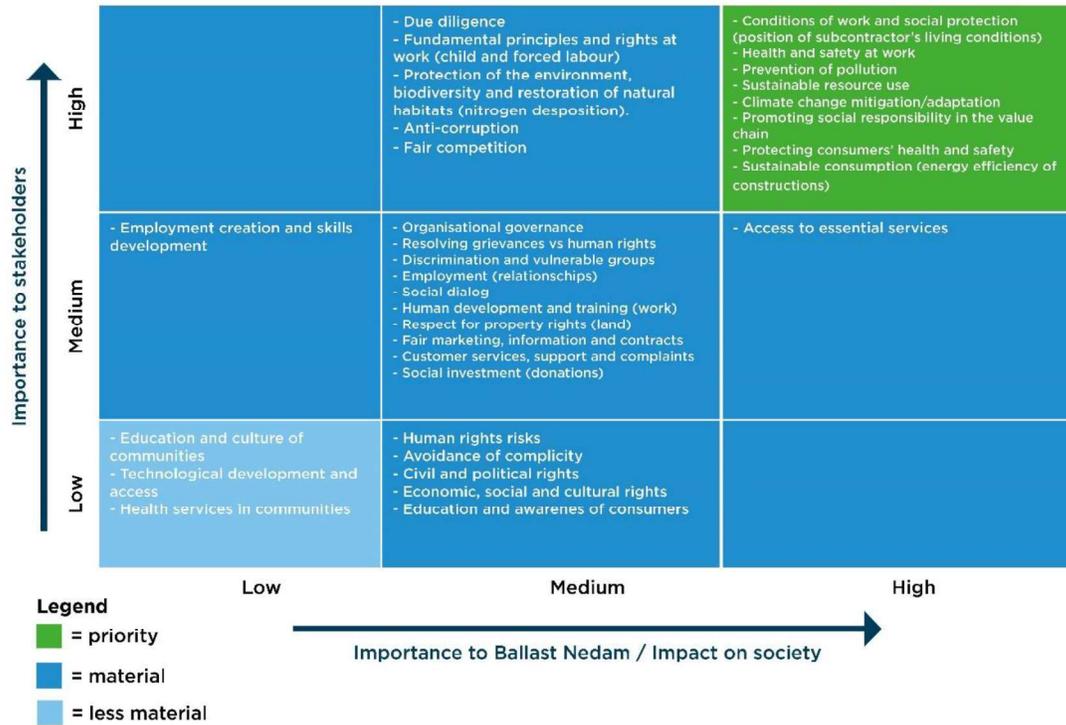


Figure 2: Materiality matrix

All the issues contained in quadrants with combinations of high and average are 'material' (or 'significant'). Only the combination 'low/low' is considered 'less material'. (The non-relevant issues were already removed during an initial review.)

The main priorities are shown in the green 'high/high' quadrant on the right, though the issues in the 'high/medium' quadrant are also considered a priority based on the stakeholders: a priority for themselves and seen as a priority for Ballast Nedam.

## 2.3 CSR Policy

Our CSR Policy is subsequently based on the results of the materiality analysis. We use the Sustainable Development Goals (SDGs) as reference to express this CSR Policy, our focus in our contribution to society.

Our main focus is to contribute to the following goals:

- I. Good health and well-being (SDG 3)
- II. Responsible consumption and production (SDG 12)
- III. Industry, innovation and infrastructure (SDG 9)

With these goals we want to contribute to:

- IV. Sustainable cities and communities (SDG 11)

And we cannot achieve this without:

- V. Partners (SDG 17)



For Ballast Nedam’s international projects, in addition to the CSR issues based on ISO 26000, the following IFC Performance Standards (PS) were also taken into account in determining the focus as described above:

- Community health, safety and security (PS4)
- Land acquisition and involuntary resettlement (PS5)
- Biodiversity conservation / sustainable management of living natural resources (PS6)
- Indigenous peoples / cultural heritage (PS7 and PS8)

Based on the determined goals, we completed a CSR Policy 2021-2023, including a formulation of corresponding CSR themes to be used in our organisation. For this, the priority CSR issues based on the ISO 26000 in the materiality analysis, were reformulated in CSR themes. We also decided to add the theme 'Integrity', that didn't come forward in the materiality analysis as a priority issue, but we want to safeguard this theme. Additionally, concrete targets and KPIs were determined and included in the CSR Policy 2021-2023.

To monitor the progress, a report is published every quarter on the KPI scores, any planned actions and actions already taken. Obstacles to the achievement of our targets, success stories and learning experiences are shared in this quarterly report as well.

Ballast Nedam’s CSR themes are presented in the table below, which also sets out the relationship with ISO 26000 as well as the SDG and IFC criteria to which the themes contribute.

CSR themes for Ballast Nedam	CSR issues of ISO 26000	Sustainable Development Goals (SDGs)	IFC Performance Standards (PS)
1. <b>Safety, Health and Well-being</b>	- Health and safety at work - Protecting consumers' health	SDG 3	PS2 Labour
2. <b>Good Employment Practices and Social Return</b>	- Discrimination of vulnerable groups - Child and forced labour - Conditions of work and social protection	SDG 3	PS2 Labour
3. <b>Environment and Sustainability</b>	- Prevention of pollution - Sustainable resource use - Climate change mitigation and adaptation - Sustainable consumption / energy efficiency - Protection of environment, biodiversity and restoration of natural habitats	SDG 12, 11, 9	PS3 Resource efficiency PS6 Biodiversity
4. <b>Innovation and Digital Transformation</b>	- Prevention of pollution - Sustainable resource use	SDG 9, 11 and 12	PS3 Resource efficiency
5. <b>Integrity</b>	- Due diligence - Anti-corruption - Fair competition	SDG 16	
6. <b>Stakeholder Management</b>	- Promoting social responsibility	SDG 17	PS 4 Community PS5 Land acquisition and involuntary resettlement PS7/PS8 Indigenous people/cultural heritage

Table 1: Selected CSR themes with reference guidelines

In addition, through its CSR policy, Ballast Nedam is also committed to the following agreements, codes of conduct, guidelines and certificates:

- “Veiligheid in de Bouw” (“Safety in Construction”) governance code: helps clients and contractors to work together to improve the safety culture within their own organisations.
- “Bewuste Bouwers” (“Considerate Constructors”): code of conduct for the construction site and the area around it.
- Paris Proof Commitment: commitment to reduce energy consumption in the built environment.
- “De Groene Koers” (“The Green Course”): platform for the Construction & Infrastructure sector; working together to make the sector emissions-free in 2030 by lowering emissions from mobile construction equipment.
- Emissieloos Netwerk Infrastructuur (ENI: zero emission network infrastructure): a partnership that is committed to realize a zero-emission construction site in 2026 by close cooperation and research for alternatives for heavy mobile equipment.
- The International Labour Organisation (ILO) Fundamental Labour rights: to safeguard fundamental labour rights including the abolition of child and forced labour, freedom of association and right to collective bargaining, and elimination of discrimination in occupation and employment.
- Universal Declaration of Human Rights of the United Nations.
- Guidelines for Multinational Enterprises of the Organisation for Economic Cooperation and Development (OECD).
- ISO 9001, certificate for Quality Management.
- ISO 14001, certificate for Environmental Management.
- CO<sub>2</sub> Performance Ladder: sustainability instrument and certificate for reducing CO<sub>2</sub>.<sup>3</sup>
- ISO 45001, certificate for Safety Management

See for a description of the themes chosen: chapter 4.

## 3. Approach: the 7 principles of Corporate Social Responsibility

### 3.1 Accountability

Ballast Nedam takes accountability for its CSR policy, which can be found on our website. We are also accountable through our published Annual report, not only on the ‘prosperity’ dimension of CSR, but also on ‘people’ and ‘planet’. This Annual report is also published via our website. Additionally, we account for our efforts via this ISO 26000 self declaration report.

### 3.2 Transparency

Ballast Nedam communicates transparently via diverse communication channels. We communicate via our website to all our stakeholders and occasionally we publish new developments via professional magazines. Via written and oral presentations and offers to (potential) clients, investors and other partners like governments we are clear about our approach of Corporate Social Responsibility and sustainable dimensions of our projects. We are certified for ISO 9001, ISO 14001 and ISO 45001, which means that we are transparent about our management system and performance, which is regularly inspected internally and externally. For our projects we interact with the neighbourhood and other stakeholders around a construction site, which we formalised by signing the Bewuste Bouwers” (“Considerate Constructors”) Code of Conduct. With our employees and other workers, we

<sup>3</sup> For Ballast Nedam Construction excluding Ballast Nedam International. Nevertheless, at the beginning of 2022 they will also be included in the scope of the certificate.

communicate via a diversity of internal communication means including meetings and intranet.

### 3.3 Ethical behaviour

Doing business with integrity and in a social responsible manner is important in our activities and relation with our stakeholders. Our norms and values are written down in a Code of Conduct (BenWiser) that describes our ethical framework with regard to human rights, labour norms, no-discrimination, safety, privacy, integrity, environment and compliance. This Code of Conduct is completed by policies on: unacceptable behaviour, use of ICT facilities, anti-corruption, gifts and invitations, donation and sponsorship, competition and internal reporting. All employees of Ballast Nedam are trained in these norms and values, during their onboarding and via regular (e)learning updates. Compliance officers are available for further questions on these guidelines and policies and incidents can be reported to them. Additionally, confidential counsellors are available for advice to employees in case of issues related to ethical behaviour. Another channel available is an external Speak-Up Line.

Responsibility for central control of compliance and integrity related matters is assigned to the Chief Compliance Officer, who reports directly to the Board of Management, Supervisory Board and Audit Committee. Ballast Nedam has a zero-tolerance policy when it comes to compliance and integrity related incidents and takes all incidents seriously by following up with appropriate measures.

We expect the principle of integrity to be taken as a starting point by all stakeholders in the supply chain, such as partners, suppliers and customers. For subcontractors and suppliers, a separate Code of Conduct is available.

'Integrity' is also selected as one of our CSR themes, see paragraph 4.5.

### 3.4 Respect for stakeholder interests

Ballast Nedam respects interests of stakeholders and safeguards these interests via open communication and interaction, and providing information. We take into account the demand of stakeholders. Additionally, we consider general expectations of society in relation to sustainable development and views of stakeholders who are affected by our activities, even if they are unaware of these interests.

Additionally, we use our grievance mechanisms to pick up on signals that we have inadvertently overlooked. We use these signals to interact with stakeholders and find solutions for issues raised.

'Stakeholder management' is also selected as one of our CSR themes, see paragraph 4.6.

### 3.5 Respect for the rule of law

Ballast Nedam respects laws and regulations. We take into account laws and regulations for all our operations, and activities on construction sites, both in the Netherlands and abroad.

Our several departments make sure we stay abreast of changes in laws and regulations with regard to HR, OSH, integrity, privacy, environment, financial matters and other sustainability issues. We use subscriptions to relevant online bulletin boards, professional magazines, and are informed by internal and external specialists including lawyers to keep ourselves prepared.

Additionally, for international projects, a risk assessment is always part of the preparation of a project management plan, which includes the latest developments in local laws and regulations.

We guarantee respect for legislation and regulations in the supply chain through contractual agreements with subcontractors and suppliers.

### 3.6 Respect for international norms of behaviour

Ballast Nedam's activities, both in the Netherlands and abroad, are based on the following international norms of behaviour:

- The International Labour Organisation (ILO) Fundamental Labour rights: to safeguard fundamental labour rights including the abolition of child and forced labour, freedom of association and right to collective bargaining, and elimination of discrimination in occupation and employment.
- Universal Declaration of Human Rights of the United Nations.
- Guidelines for Multinational Enterprises of the Organisation for Economic Cooperation and Development (OECD).

Ballast Nedam uses a company manual to control the operational activities and the approach in (internal) projects. This company manual is certified with ISO 14001, ISO 45001 and ISO 9001 and is focussed on health, safety and environmental aspects of CSR and international norms of behaviour, in addition to quality aspects. Additionally, our CSR Policy and several protocols direct the fulfilment of internal norms of behaviour: among others, our Code of Conduct (BenWiser) and Code of Conduct for Subcontractors and Suppliers, where the latter is part of the contractual documents.

Additionally, for international projects, in the risk assessment that is used for preparation of a project management plan, not only local laws and regulations are taken into consideration, but also other CSR aspects based on international norms of behaviour. Important aspects are -among others- the labour situation, landownership and environmental issues that play a role in the country and region. Subsequently, this project management plan guides the complete preparation and implementation of a project.

### 3.7 Respect for human rights

Ballast Nedam subscribes the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights. We take these rights into account in all our actions, in all countries where we work. We take action in situations where human rights are violated in the course of business, the supply chain, within our sphere of influence.

In case internally a question or grievance exist all managers can be approached for this, as well as compliance officers and confidential counsellors. We also have several protocols and a management system in place that direct international norms of behaviour (see also paragraph 3.6 and 3.3 above), including human rights.

## 4 Main CSR Themes for Ballast Nedam

The main CSR themes of Ballast Nedam were formulated based on the determined focus, as described in paragraph 3.2, CSR Policy.

These themes are the following:

1. Safety, Health and Well-being (see paragraph 4.1);
2. Good Employment Practices and Social Return (see paragraph 4.2);
3. Environment and Sustainability (see paragraph 4.3);
4. Innovation and Digital transformation (see paragraph 4.4);
5. Integrity (see paragraph 4.5);
6. Stakeholder management (see paragraph 4.6).

The approach of Ballast Nedam of the six CSR themes will be explained in more detail below.

### 4.1 Safety, Health and Well-being

#### 4.1.1 Safety

##### *Introduction*

At Ballast Nedam, working safely is of primary importance. Always. Because health is the essence of our existence. Because we believe that working safely is one of the pillars on which a healthy organisation rest. And because we care for each other. That's why safety is essential in every step we take. Always. Everywhere. Everyone.

It is everyone's obligation to provide a safe working environment for all employees working at Ballast Nedam. We aspire to be an injury-free Ballast Nedam. This is why it is important to be aware of the life-critical activities and eliminate or reduce safety risks to the maximum possible extent.

Incidents and accidents have major impact for those directly involved, but also for families and colleagues. Our employees can therefore count on an employer that takes a safe work environment seriously. The world around us attaches great importance to that, too. Our clients increasingly choose their contractors on the basis of safety. And society expects companies to take responsibility in public space.

When it comes to safety, everyone plays a part. We are required to keep a sharp eye on our different roles in assuring safety. In every phase of the project.

We make a promise to everyone who is involved in our projects: we work safely and we ensure safety together. That goes for everyone: from designers to site supervisors, from planners to construction site employees, from managers to crane operators. From the tender and the design to the execution and completion. Safety and good performance go hand in hand. That begins and ends at home. We work protected. Always and everywhere. Today and tomorrow. That is how we do things in our Ballast Nedam family; it is our DNA. Work safely, get home safe and sound. Always. Everywhere. Everyone.

##### *Safety strategy*

Safety improvements do not happen by themselves. The Board of Management of Ballast Nedam requests a firmer commitment to safety from everyone. This started with developing a renewed safety vision and safety improvement strategy.

As a basis for this new safety vision and safety improvement strategy, DEKRA has performed an independent safety awareness audit in 2020. DEKRA reported a clear gap analysis and improvement recommendations on safety. These recommendations in combination with Rönésans Holding proven safety strategy formed the starting point for a renewed safety vision and specific Health, Safety and Environment (HSE) improvements throughout the entire organisation, that is currently being implemented.

It is Ballast Nedam's ambition to become one of the leading companies on safety in the Dutch and international construction industry.

### **Our approach**

To deliver on our safety promise, we will work together. Improving requires everyone's attention. Of course, we all contribute, because when it comes to safety everyone is a leader. But we also want to improve as an organization. We have established 9 priorities with each other to accomplish our promise.

1. We build a culture of caring for each other. That is the basis of our healthy organization.
2. We are committed to strengthening personal leadership in safety. That applies to everyone and we ask this always and everywhere.
3. We work with simple and clear principles and agreements. Because if everyone knows and understands these principles, it's easier to comply.
4. We improve mutual communication. Because work is people work and that requires that we understand each other always and everywhere.
5. We ensure that we learn smarter and faster from our experiences. Taking some slow time together to reflect. In this way we become a learning organization.
6. We make safety part of our entire chain. From tender to delivery.
7. We investigate all incidents. As we want to learn from our incidents and share those lessons with all colleagues.
8. We work every day to reduce risks. If we think carefully in advance, we will reduce the risk of accidents.
9. We work differently with our subcontractors. That already starts with our purchasing. We regard subcontractors as crucial partners with whom we seek partnership on an equal basis.

### **Safety in international projects**

For international projects, like projects in the Netherlands, safety has a prominent place.

As part of the project management plan, a Construction Health, Safety and Environmental Plan (HSE plan) is made, to control -among others- safety in the specific project.

### **Safety in the supply chain**

Ballast Nedam makes no distinction between our own employees and any of the employees of our partners, subcontractors and suppliers with regard to working safely. At construction sites, the Group urges all personnel, including subcontractors, to either work safely or to not work at all. We encourage everyone to work safely by applying the policy in full in our projects. This means that the Group engages in a dialogue with all employees working on our sites and at the same time supervises compliance with the safety standards as agreed in the safety policy and risk assessments.

### **Governance Code: 'Safety in the Construction Industry'**

To ensure that the safety culture in the broadest sense improves, a number of leading construction companies, including Ballast Nedam, and clients (construction, road/water/rail infrastructure and installation technology) have joined forces. Together they established the Governance Code for 'Safety in the Construction Industry'.

These initiators established common principles and core values in the field of safety by harmonising working methods and by harmonising instruments. This involves the entire supply chain. Ballast Nedam actively participates in the Governance Code for Safety in the Construction Industry.

The following national initiatives were taken or continued in 2020 derived from the Governance Code on Safety in the Construction Industry:

- knowledge-sharing of accidents and best practices
- implementation of a generic gate instruction for construction projects (GPI)
- implementation of harmonised working methods for reversing protection for rolling equipment
- collaboration with ISZW, Ministry of Social Affairs on their internal investigation on safety
- organising a safety day: *Bewust Veilig Dag*
- having (digital) safety breakfasts.

### **Safety culture ladder**

Ballast Nedam is certified for the safety culture ladder step 3, in 2021.

The safety culture ladder is a tool to measure safety awareness, attitude and behaviour in companies. The higher the safety awareness, the higher the assigned ladder step (1 to 5). The safety culture indicates how our daily practice looks at how we learn from (safety) incidents and how we deal with them in the future, addressing and being held accountable for safe behaviour, communication and leadership.

### **4.1.2 Health and Well-being**

We believe that a healthy working and living environment are essential for our quality of life. The COVID-19 pandemic has really highlighted this for us.

Ballast Nedam is therefore keen to be a modern and professional employer that pays attention to its employees. We want to create conditions in which our employees can excel. With this conviction, we are committed to a healthy, safe and motivational working environment for all employees.

In 2020, in response to COVID-19, we focused on providing a healthy working environment even more than before. The impact of COVID-19 on the organisation has been limited overall, thanks to the constant focus in all business units on the wellbeing of employees and the clear measures taken. Specific attention was given to support employees in their functional and social-emotional needs, e.g., by coaching, counselling and COVID-proof team events. Employees are regularly informed about the latest state of affairs and measures are adjusted where necessary.

We also aim to add value to our customers' working and living environment by striving to improve quality, comfort and health. The rise of the WELL Building Standard for offices is an example of this. Ballast Nedam not only focuses on the building level, but we also apply high standards to our area development efforts where the health and well-being of future residents are concerned. For our own development efforts, we are inspired by the Blue Zones, area dotted around the world where people are demonstrably living longer and healthier lives. Scientific research has shown why these areas are so successful and has summarised this in ten guiding principles. In order to translate these into something concrete that we can apply to our work, we divide these principles into hardware (mobility, environment, nature, biodiversity and circularity) and software (exercise, healthy food, community, a sense of meaning and purpose, and relaxation), and this frames our ambition. In order to achieve our ambition, we are collaborating with universities to realise the Urban Blue Zone concept for a concrete area development plan. Interest groups such as JOGG (young people on weight), nature and environmental federations and bird protection are also involved in the realization of this ambition.

The way in which the living environment is spatially designed plays an important factor in facilitating and promoting a conscious lifestyle. Ballast Nedam therefore sees the promotion of a healthy lifestyle at a young age and a healthy living environment that facilitates this as a shared social responsibility. More exercise, living outside and exercising, a green environment and healthy food choices are paramount. To this end, Ballast Nedam has entered into a partnership with JOGG, which focuses on the development of knowledge of exercise and is practically implemented by the local realization of challenging forms of movement in the public area.

In addition, we are keen to collaborate on area developments with nature and environmental associations and/or bird protection organisations. We are looking into realising pollinator strips and insect hotels as well as integrating bricks for birds and bats into the façades of homes. Two to three nesting boxes per house for species that are strongly associated with human habitation, such as bats, common swifts and house sparrows, seem feasible. It is also important that the vegetation in public areas is adapted to create an optimal living environment for these animals. (See also paragraph 4.3.1 for our approach in the area of biodiversity.)

In addition, we are working to significantly improve indoor air quality in homes by applying the Pure Air concept and homes are being developed in compliance with Dutch Green Building Council (DGBC) Woonmerk requirements.

## 4.2 Good Employment Practices and Social Return

Ballast Nedam continuously focusses on providing an inclusive, healthy and motivating working environment as we regard our human capital our most valuable asset. Creating opportunities for new and diverse talent and facilitating productivity and employability of the current workforce is pivotal to enduring success of our company.

In view of our ambition our key focus areas with regards to good employment practices are:

- Providing opportunities to learn and grow
- A healthy, safe and motivational working environment
- A positive contribution to society

### *Providing opportunities to learn and grow*

Annually we fill between 300 and 350 vacancies. We thus provide many opportunities to join our company or to make a career step. Ballast Nedam is keen to offer scholars and students the chance to do apprenticeships and internships. It offers them a chance to get to know our business, to learn and to develop their professionalism. Especially in the final year of their studies, it is important to offer them interesting opportunities for projects and research and to familiarize them with starting positions within Ballast Nedam.

We see it as key to retain employees in the right mix for the continuity of our business. Apart from the day-to-day work, consistent attention is given to performance and development. This is reflected in the number of training hours and career moves within the organisation.

### *A healthy, safe and motivational working environment*

Ballast Nedam strongly believes that the vitality and employability of our employees determines the success of the organization. Apart from a continued focus on professionalism, performance and career development we closely monitor the wellbeing of our employees and follow up re-integration of employees (temporarily) unfit for work. We deploy preventive measures and provide appropriate interventions, so that employees can continue to work healthily and productively. We actively support vitality initiatives such as social events, sport activities and health programs.

### *Diversity and social return*

Ballast Nedam has a strong professional and cultural diversity among its employees. We foster this diversity as a key differentiator to attract new talent from the labour market. In addition, we offer people who have become detached from the labour market the chance to work on our projects as part of our social return policy. We also initiate social return opportunities for non-project related positions. This inclusive approach allows committed people to acquire work experience and facilitates their return to structural employment.

The participation level of women in our industry, especially in site operations and management still is low, although slightly growing. We value this diversity in workforce and target higher levels of female inflow to increase diversity over time and be able to appoint more women into key positions. In general, we apply a preferential policy in case of equal suitability.

### *International projects*

Ballast Nedam respects the ILO Fundamental Labour rights and Universal Declaration of Human Rights. This implies that we -among others- prevent and reduce child and forced labour in our own organisation and those of our business partners within our circle of influence and where this is practical achievable; protect workers, including vulnerable categories of workers such as migrant workers and workers engaged by third parties; protect and minimize possible damage to cultural heritage; and protect and respect indigenous people within our circle of influence and where practically achievable.

Worker's accommodation will only be offered and allowed if proven necessary. These will be set up and organized following the IFC Guidelines for workers accommodation. Attention is given to adequate accommodation, provision of food and drinking water, sanitation, lighting, first aid equipment, security, medical awareness.

During auditing attention is paid -among others- to recruitment policies, presence of labour contracts, check on (minimum/equal) wage levels en minimum age of workers (18 years), no forced labour, payment of salaries and social securities, working hours, payment of taxes and workers insurances.

Additionally, we have grievance mechanisms available, for all workers (and their organisations where they exist) to raise workplace concerns.

## 4.3 Environment and Sustainability

### 4.3.1 Environmental Management

Ballast Nedam recognises the effects that construction activities have on the planet. CO<sub>2</sub> emissions, deforestation, petrification of the surface, depletion of natural resources (Earth Overshoot Day), waste disposal, and soil and air pollution are topical themes and a growing problem in the world. As a large construction firm, we acknowledge that our activities have an impact in these areas:

- Indirectly, due to the environmental impact of the products we use and the energy that is ultimately consumed by the projects we develop and complete.
- Directly, through the materials we use, the freight we transport and our vehicle fleet, the energy we consume during projects and at our offices, as well as the waste we generate on construction sites.

We accept our responsibility in this respect. Sustainability is an integral part of our work. We owe it to future generations to focus on sustainability in everything we do. We see this as an economic opportunity rather than a threat. Ballast Nedam is therefore a proud signatory to the Paris Proof Commitment of the Dutch Green Building Council (DGBC). The Paris Proof Commitment asks the government to standardize buildings on actual energy consumption, instead of the current energy labels used. In this way, the Paris climate targets for the built environment can be achieved more quickly. In addition to the commitment to Paris Proof, organizations have promised to take concrete steps within their own organization. For example, Ballast Nedam is working on an energy-neutral construction site.

Due to our area development efforts, we have a major impact on areas where people live. Measures to promote nature, biodiversity, sustainable mobility and climate adaptation are quite easy to integrate into our work. Their impact is optimised if they are included in our efforts simultaneously, rather than integrating them afterwards. We feel responsible for making innovative progress in both infrastructure and the built environment. In specific terms, we have translated these into a strong vision on climate, health and well-being, which we apply to area developments, among other things. For example, we have developed the Pure Air concept for cleaner indoor air and we have gained our first experience with green façades as part of the Floris project in the Coendersbuurt neighbourhood of Delft. The advantage of green façades over green roofs is that they do not compete with solar panels. A green façade purifies the air, reduces ambient temperature and helps retain water. Our goal is to be at the forefront of sustainability in all our sectors and to inspire others.



To increase the quality of life in urban areas more green is needed. In the area of biodiversity, we remain committed not only to green façades, but also to increasing biodiversity by investing in bee fields, installing insect hotels and creating more green spaces. We also remain committed to the use of electric shared cars, by fulfilling the preconditions and offering electric shared cars to replace people's first or second cars. Mobility as a Service.

Besides the influence we exert over our own developments, sustainability certification,

based on standards such as BREEAM, LEED, WELL, Woonmerk and the CO<sub>2</sub> Performance Ladder, offers considerable added value when it comes to implementing sustainable construction projects. Ballast Nedam is as well certified in accordance with NEN-ISO 14001: 2015 for the environmental management system.

#### 4.3.2 Energy, CO<sub>2</sub> and Air Quality

When working on the development of any new product, building or district, we explicitly consider the energy requirements across the entire lifecycle: from development and construction through to management and maintenance.

Ballast Nedam's energy policy aims to ensure that our operations become more energy-efficient and sustainable over the coming years. In addition, choices made in the built environment have a major impact on the natural environment, not just during construction but also for decades afterwards. That insight explains our commitment to sustainable design throughout the lifecycle of a project.

We not only have a target for the CO<sub>2</sub> emissions generated by our own organisation (scope 1 and 2), but also by the activities we carry out and organise (scope 3, purchase and sale of services and products). The environmental impact of services and products is determined on the basis of a lifecycle analysis (LCA). After all, energy savings will not be achieved by focusing only on our own consumption. We will need to work together with the chains in which we are active to find concrete ways to bring consumption down.

For Ballast Nedam, the focus is on cutting the CO<sub>2</sub> emissions of our own vehicle fleet and in sustainability measures at the construction site.

Additionally, measures were taken at our production sites and offices; and we realise renewable energy production.

#### **Mobility**

In 2020, the first fully electric lease cars and the first two hybrid plug-in company vans were put into service. We also began setting up a pilot for a mobility card, a new concept offering more flexibility which should make our mobility more sustainable ('from Fleet to Mobility'). Charging facilities are also being examined, with expansion of these facilities needed both at the offices and at the construction site.

Ballast Nedam has always been one of the innovators in the market for the adaptation and development of 'new' fuels. Notably, Ballast Nedam was one of the pioneers in the development and construction of CNG, LNG and hydrogen stations in the Netherlands. Right now, Ballast Nedam is realising three hydrogen stations spread throughout the Netherlands and Belgium, contributing to the acceleration of the energy transition.

#### **Construction sites**

To reduce Ballast Nedam's own footprint, the focus is not just on mobility but also on sustainability measures at the construction site itself.

To make our equipment more sustainable, we are drawing up a roadmap that focuses on the electrification of our equipment or the use of HVO fuels for machines where electrification is not possible yet. Together with our partners in "De Groene Koers" ("The Green Course") and the ENI (Emissieloos Network Infrastructuur), we are working on initiatives to make even this heavier equipment more sustainable.

For the side units we are investing in more sustainable cabins with high insulation, double glazing, light sensors and LED fittings, and for cooling and heating we are using a sustainable heat pump.

#### **Production sites and offices**

Our production units are Haitsma Beton and HOCO Beton. At the end of 2020 Haitsma realised the installation of a solar panel roof. Moreover, since we realise one of the resources that we purchase has a substantial CO<sub>2</sub> impact, cement, we are conducting pilots in which cement is replaced by geopolymetric concrete.

Additionally, we have a number of central offices and a few smaller regional offices, where regular measures are implemented like LED light, moving sensors and energy efficient equipment.

### Renewable energy

Ballast Nedam produces its own green energy on several locations in the Netherlands. We operate four wind turbines in the Zaanstad region and have solar energy panels on the roofs of the office locations of Haitsma, Heddes and office/warehouse of Ballast Nedam Materieeldienst. On the current PPP (Public Private Partnership) projects BAAK, IXAS and PI Zaanstad, Ballast Nedam integrated solar energy panels in the infrastructure and the buildings. Project development for more renewable energy is ongoing for scale up.

Ballast Nedam has always been one of the innovators in the market for adapting and developing “new” fuels. In particular, Ballast Nedam was one of the pioneers in the field of development and construction of CNG, LNG and hydrogen stations in the Netherlands. Due to the past experiences, and our knowledge and skills, Ballast Nedam Industriebouw is able to provide total solutions for hydrogen projects. Whether it is a hydrogen station or a production plant. In 2020/2021, Ballast Nedam Industriebouw is realising three hydrogen stations across the Netherlands and Belgium. In doing so, it contributes to accelerating the energy transition.

### CO<sub>2</sub> footprint measurement system and verification

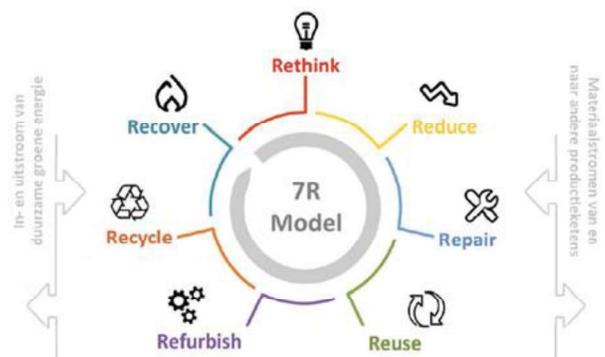
In its CO<sub>2</sub> footprint, Ballast Nedam reports the emissions in Scope 1 (natural gas, petrol, CNG, cokes, diesel, LPG, kerosene, propane and business travel) and Scope 2 (electricity, terrestrial heat and business use of private cars and flight movements) of the Dutch operations. The criteria have been established in accordance with the Greenhouse Gas Protocol – Revised edition and Handbook CO<sub>2</sub>-Prestatieladder version 3.0 of SKAO. The Group uses the IFRS demarcation criteria, with participating interests of 50% or higher and consortia being proportionally included in the footprint. If any monthly consumption figures are not known, estimates are made at year-end based on the revenue trend. Ballast Nedam calculates CO<sub>2</sub> emissions on the basis of the conversion factors in SKAO CO<sub>2</sub> Performance Ladder 3.0. The 2020 verification of the amount and scope of emissions was provided by the external audit company DNV GL.

Currently we see ourselves as an average performer in the area of reducing CO<sub>2</sub> emissions in comparison to our peers. However, our aim is to become one of the most sustainable companies in the Netherlands.

### 4.3.3 Waste, Circularity and Materials

Ballast Nedam has adopted a lifecycle approach to the use of materials. A circular economy is an economy without waste. In order to combat climate change and further depletion of natural resources, Ballast Nedam seeks to change its working methods. This means that we aim to develop our buildings and infrastructure so that all raw and other materials will soon be reusable, and that generating waste during the building/production stages will be prevented.

We consider waste to be a result of design, purchasing and implementation choices. Our policy is geared towards eliminating waste and using circular materials (modular materials that can be dismantled and reused). This way of thinking forces us to consider not just the construction costs of today but also the entire lifecycle. This means using renewable and/or secondary materials in order to prevent further depleting our natural resources. We are using the circularity ladder (7-R) to ensure the right focus; see the figure on the right. We will also fight pollution by no longer using any toxic substances. We will try to make everything we use suitable for future reuse. Circularity is our motto in this respect and this is supported by tools such as Madaster and openBIM.



As far as the use of materials is concerned, we also have adopted a lifecycle approach. We assess

the environmental impact of materials and processes on the basis of a lifecycle analysis (LCA).

Late 2020 the charter for bio-based construction materials was signed, and there will be an even greater focus on the marketing of modular products such as the MODU park. We will also devote more attention to making our main construction products, asphalt and concrete, more sustainable. In the field of asphalt, we produce and process asphalt that consists of 100% residual building materials or residual materials and the binding agent has been replaced by 100% recycled materials.

#### ***2020 charter for bio-based construction materials***

In our ongoing efforts to lower CO<sub>2</sub> emissions and to create a level playing field for the use of sustainable construction materials in the Dutch construction sector, we have signed a charter for bio-based construction. This charter was supported by all leading construction and development companies and encourages the use of bio-based materials where possible, while at the same time calling on local policy-makers as well as the Ministry of The Interior and Kingdom Relations to draw up standards accordingly.

#### ***Building with modular materials that can be dismantled and reused***

Near the sports centre belonging to TU Delft, Ballast Nedam has built a parking garage that will be in place for ten years. Due to its temporary nature, the garage has been built using modular materials that can be dismantled and reused in accordance with the MODU park system developed by Ballast Nedam. This garage can be completely disassembled after use and rebuilt elsewhere. The project is therefore an example of circular and sustainable construction. In addition, the green façades harmonise with the wooded setting, reduce noise and capture particulate matter. Nesting boxes for birds, bats and bees have also been built into the façades. These kinds of projects we would like to do more and more.

#### ***Waste and circularity in the supply chain***

A lot of waste is created because products are not delivered made to measure or because materials are used only once. Ballast Nedam therefore engages with suppliers or subcontractors about packaging materials that have a major impact in order to assess whether the project can be executed differently. This leads, for example, to agreements with suppliers about the recovery, reduction or modification of packaging materials.

Another initiative is the reuse of recycled materials in our asphalt and concrete products. To enable a high-quality reuse of released materials, we have set up our own operational Asphalt and Recycling Bank (ARB). The milled material is segregated in the ARB, stored separately and classified based on several grades, type of rubble and type of bitumen. This approach assures the quality of the construction materials, enabling us to apply top layers with a high reuse percentage of 65%. The quality of the PR (partial recycling) material is also guaranteed by the ARB, which means that the quality of this material in the new mixes can also be guaranteed.

With this high-quality recycling, we are able to use asphalt with a high percentage of reused aggregates in both the top layer and the base layers.

Ballast Nedam has been a member of Platform CB'23 since 2018. This platform brings together parties with circular ambitions throughout the construction world, in civil engineering as well as in residential and non-residential construction. The goal is to draw up nationwide agreements on circular construction throughout the construction sector for 2023. In 2020, Ballast Nedam actively participated in two CB'23 working groups: circular design and circular procurement.

#### ***International projects***

Additionally, for (international) projects a project management plan is in place, that includes all local environmental risks on a construction site. This includes waste management, storage of hazardous substances (our aim is to avoid the use of hazardous substances, and if it is necessary to use or store (for example fuel) management is focussed on minimizing and controlling the release of these materials); reducing energy consumption, limiting the quantities of raw materials, prevention of noise and vibration, avoidance of nuisance from dust by watering construction roads. If there is contaminated soil or groundwater present or discovered, the measures must be adhered to applicable local law and regulations and comply with requirements set out in international best practices. Finally, in the design, but also in the works, the footprint of the works (pipeline trenches, construction yards,

lay-down areas, access roads etc.) will be selected to avoid assets (like crops, (fruit) trees, (temporary) houses and sheds).

## 4.4 Innovation and Digital Transformation

### General

Emerging digital technologies are transforming our lives in ways that were unimaginable even a decade ago. Innovation and digitalisation are also transforming the construction industry, by providing more added value for our customers. At Ballast Nedam we are making faster and better decisions, reducing costs and improving our processes. We are creating competitive advantages and adding value to the way we design, build and manage assets.

We are at a tipping point of exponential technological advancement. In the coming years, the internet of things will consist of a trillion sensors, all generating and sharing data. Machine learning and artificial intelligence are no longer science fiction; they are already automating and optimising operations business-wise and in our private lives. They have the potential to even redefine the construction industry and its business model.

But innovation and digital transformation are about more than technology. This is also a cultural change, affecting people, organisations, processes and agile ways of working. With the focus on our digital and innovation journey, we need to make changes and improvements for the following features:

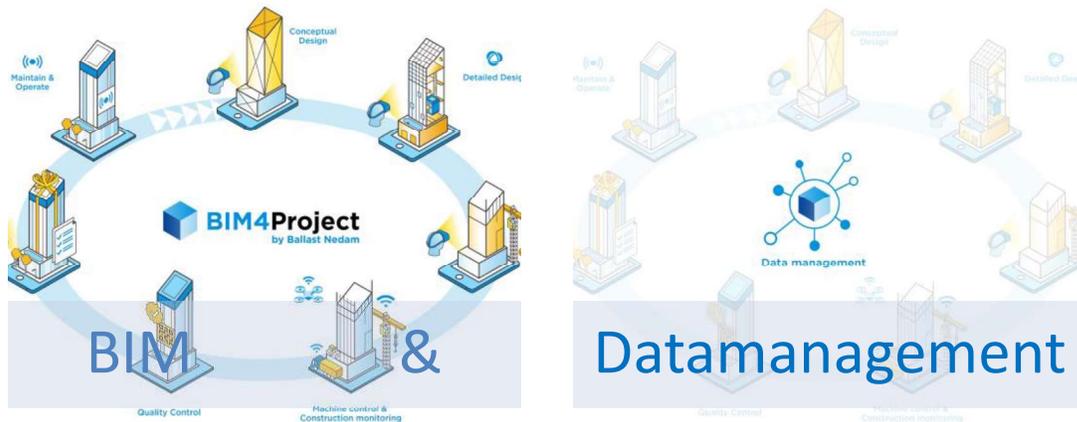


We are developing Ballast Nedam into a more innovative digital enterprise capable of implementing other (additional) business models that improve customer experience and make use of those (technical) innovations that represent a progressive competitive advantage.

### Focus

We maintain our focus on implementing our BIM4Project approach. BIM has acquired a stable place in our building process. From the moment the first drawing is made, the emphasis is on smart data capture so all parties involved can work together in an integrated manner. BIM continues to play a crucial role during the entire cycle of construction and maintenance of every building and infrastructure project. This way we increase efficiency and lower failure costs.

Ballast Nedam distinguishes itself with its BIM4Project approach. BIM4Project is the collective name for four sub-areas of the project in which BIM is successfully applied: BIM2Design, BIM2Construct, BIM2Field and BIM2Operate. For each project, we examine which components to use for a tender, work in progress or the management and maintenance phase. But the merging of the various phases and the interim data structuring are disciplines that Ballast Nedam masters like no other.



Ballast Nedam is also a major player in the Digital Engineering Community in which leading design & construction contractors work together in order to automate design processes in a way that is new in the engineering market.

In our business units we also focus on innovations that are linked to our sustainability ambition. The main areas in which we want to innovate are energy and modular sustainable building concepts such as Modupark, with greater industrialisation of the construction process. In the coming years, we will focus primarily on circularity and the lowest possible environmental performance value (MPG) for our residential developments. We are also committed to developing and applying more sustainable products, by focusing on cement substitutes for concrete and bitumen substitutes in asphalt. We will also draw up several of our own LCAs for these products.

## 4.5 Integrity

Ballast Nedam is committed to the core values, vision, mission and values set out in its Code of Conduct 'BenWiser', in which integrity is always a primary concern. Honesty, transparency and integrity are guiding principles for Ballast Nedam in its operations, processes and communication. As an organisation Ballast Nedam aims to:

- Do the right thing;
- Treat everyone with respect at all times;
- Exude trust.

Ballast Nedam's Code of Conduct and the related sub-codes and policy documents are regarded by our company as guidelines that shed light on the minimum standards in the area of integrity. It goes without saying that Ballast Nedam complies with the applicable laws, regulations and ethical standards in the countries in which it operates. These guidelines make our employees more aware of the impact of their actions and the importance of acting with integrity. We expect these guidelines to be observed not only by our employees, but also by all stakeholders in the chain, such as our partners, suppliers and customers.

Within our company, responsibility for central control of compliance- and integrity-related matters has been assigned to the Chief Compliance Officer, who reports directly to the Board of Management, Supervisory Board and Audit Committee. At a decentralised level, the compliance officers working within our divisions and on our projects are assigned with creating awareness and for the practical implementation and application of our policy. For employees we also have confidential counselors available.

Our compliance and integrity policy are evaluated regularly and revised, if necessary, by the Chief

Compliance Officer in consultation with other disciplines. We actively communicate our standards and values, implement them in our business processes and encourage discussion around this issue, by focusing on it, for example, in training sessions. After all, if you want to stay alert, you need to devote attention to a particular topic on a regular basis. Discussing cases and dilemmas keeps compliance in people's minds and makes it a more tangible issue for all employees.

With transparency and openness in mind, we also actively encourage anyone who identifies any (potential) compliance issues to report these incidents through a variety of channels, including an external Speak-Up Line. Such reports are always investigated and any persons who report incidents are protected at all times against possible discrimination resulting from their actions. Ballast Nedam has a zero-tolerance policy when it comes to compliance related incidents and takes all incidents seriously by following up with the appropriate measures.

## 4.6 Stakeholder Management

With our multi-disciplinary approach, expertise and creativity, we aim to combine technology to social and ecological objectives, and to meet the expectations of stakeholders. This is a challenge that we deal with in our stakeholder management role. Stakeholder dialogues have an important role to play in relation to social issues, while the general duty of care under the Flora and Fauna Act has a significant influence when it comes to ecological matters.

Strategic stakeholder management is an instrument that Ballast Nedam uses to try to understand and manage the interfaces between a project and the environment concerned at the earliest possible stage. The challenge here is to facilitate good relationships between the project organisation and the various stakeholders in the local environment. As part of this process, we endeavour to find solutions that result in a win-win situation.

For Ballast Nedam, stakeholder management means all the activities required to determine and involve all parties present in the local environment, with the aim of identifying our own and any common objectives and managing the achievement of project goals. Here we place the emphasis on communication, safety, careful working, environmental awareness and a socially oriented attitude. To be certain we retrieve all signals, we also have grievance procedures available.

A construction site is not a separate world, but part of the society in which we live. Ideally, all construction sites should be good neighbours and minimise any disruption as far as possible. We therefore carry out our projects under the "Bewuste Bouwers" ("Considerate Constructors") banner, which means we are considerate in our dealings with people and the environment. The result is a careful and safe construction site that causes the minimum of disruption to local residents.

### *International projects*

Also, in our international projects we take interests of local residents into account. We take special care of cultural heritage and indigenous communities if they are present. At all times resettlement of communities or individuals will have to be avoided and, if it cannot be avoided, it is executed in accordance to international standards (IFC)

## 5 Conclusion

In this report we mapped the CSR status of Ballast Nedam Construction's activities and presented our CSR Policy. We also explained with methods were used to establish this policy and how we interacted and will interact with our stakeholders on CSR, to meet the needs and to be most effective in reaching impact on sustainability. We subscribe the 7 principles of Corporate Social Responsibility as presented in the ISO 26000, and explained in this report how we approach this and how we integrate this in our organisation. With this report we substantiated our ISO 26000 Self Declaration for the first time in 2021.