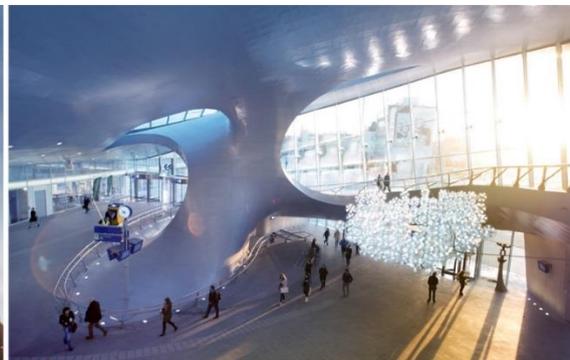


CSR Policy and Targets

Ballast Nedam

Business Plan 2020-2022

Ballast Nedam, Nieuwegein



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1. Introduction

Ballast Nedam recognises how important CSR is for the organisation and implements its CSR policy right across the company, on both a national and international level. We focus on creating a clear organisational structure, setting up and maintaining an efficient management information system and taking concrete, relevant actions that contribute positively to and have a positive impact on our organisation, stakeholders and environment.

Our actions have an impact on the world of today and tomorrow. As an organisation we are well aware of this fact. We address our responsibilities in this area in an integrated way by acting in accordance with the UN's Sustainable Development Goals (SDGs). Corporate social responsibility is therefore more than a mere ambition – it is a framework for action. This framework supports the implementation of our CSR policy by aligning Ballast Nedam's core values (themes) with the SDGs. The SDGs are 17 Global Goals that aim to ensure that by 2030 the world we live in will be a fair, healthy and safe place – for all.

Ballast Nedam focuses on six themes, which are aligned with the SDGs, IFC Performance Standards and OECD guidelines. These themes are:

1. Safety, Health and Well-being
2. Good Employment Practices and Social Return
3. Environment and Sustainability
4. Innovation
5. Integrity
6. Stakeholder Management

A chapter has been devoted to each theme, including a presentation of the KPIs. All KPI's with a target or for which quantities are registered are also summarised in Table A annexed to this report. The KPIs have been formulated centrally and apply to all divisions. The divisions/projects decide on the specific approach taken to implement this policy and on possible additions to it, and may also determine their own KPIs.

A report will be published every quarter on these KPI scores, on any planned actions and actions already taken, as well as on any issues that present an obstacle to the achievement of our targets. We also plan to share any success stories and learning experiences in this quarterly report.

Ballast Nedam's CSR policy is aligned with the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the principles of the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. In line with the approach of its shareholder, the company develops projects in accordance with IFC Performance Standards.

In addition, Ballast Nedam complies with the following agreements, codes of conduct, guidelines and certificates:

- “Bewuste Bouwers” (“Considerate Constructors”) code of conduct: helps construction firms to be good neighbours and professionalise their stakeholder management;
- “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;
- The CO₂ performance ladder;
- IFC Performance Standards;
- Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises;
- ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work.

2. SDGs and IFC Performance Standards

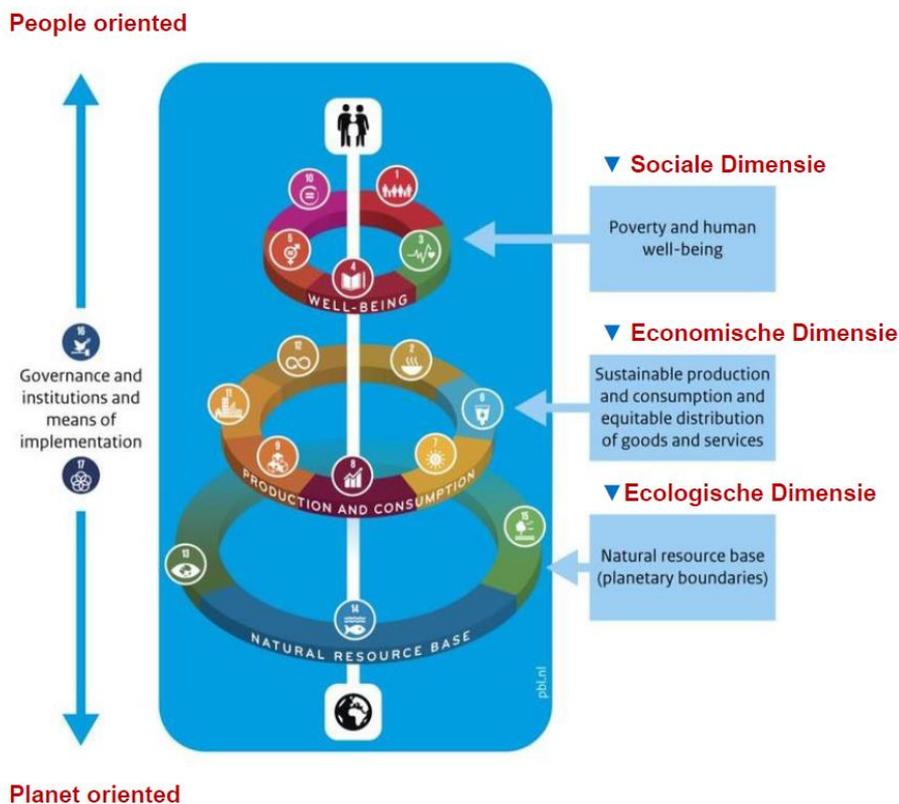
2.1 Sustainable Development Goals (SDGs)

The Sustainable Development Goals are an ambitious package of 17 goals for global sustainable development. The World Goals concern everyone and challenge us to accept our social responsibilities. In 2015, 193 UN world leaders developed these goals which aim to ensure that our world will be a fair, healthy and safe place to live for everyone by 2030.

Ballast Nedam signed the Sustainable Development Goals Charter in April 2017, thus confirming that, together with other signatories, we wish to contribute to the Sustainable Development Goals.

The goals concern social aspects such as poverty, hunger, quality education and good health and well-being for all. They also include economic aspects relating to the promotion of sustainable production and consumption, as well as ecological aspects regarding the protection and management of sustainable resources. The SDGs integrate the social, economic and environmental aspects of sustainable development.

The 17 goals are shown in the figure below.



Figuur 2: Dimensies van duurzaamheid

Bron: PBL (2017) + **toevoegingen** Stratego Advies

Text in figure: Social Dimension, Economic Dimension, Ecological Dimension

Figure 2: Sustainability dimensions

Source: PBL (2017) + additions Stratego Advies

2.2 IFC Performance Standards

Rönesans endorsed the IFC (International Finance Corporation) Performance Standards on Environmental and Social Sustainability. The policy in this area comprises obligations, tasks and responsibilities defined by the IFC in relation to the environment and social risks. These Performance standards also apply to Ballast Nedam as subsidiary company of Rönesans. To comply with this policy, we need to satisfy performance requirements linked to the following eight themes:

- Assessment and management of environmental and social risks and impacts;
- Labour and working conditions;
- Resource efficiency and pollution prevention;
- Community health, safety and security;
- Land acquisition and involuntary resettlement;
- Biodiversity conservation and sustainable management of living natural resources;
- Indigenous peoples;
- Cultural heritage.

3. Safety, Health and Well-being

3.1 Safety

Our employees are the most important capital of the organization. The personal safety and health of every individual employee within our organization is of primary importance.

Ballast Nedam's management considers the safe and healthy performance of our work to be a core value. Working safely is a "license to operate".

The management of Ballast Nedam has expressed the ambition to also become the most competitive builder in the field of safety and health. To achieve this ambition, we must strongly and rapidly increase our safety performance and accelerate the number of HSE actions.

The goal is to drastically reduce the number of accidents. The number of fatal accidents must be immediately reduced to "0" and the number of lost-time accidents must be reduced by at least a factor of 9. This factor is consistent with the performance of our parent organization Rönescans Construction.

How are we going to achieve this together?

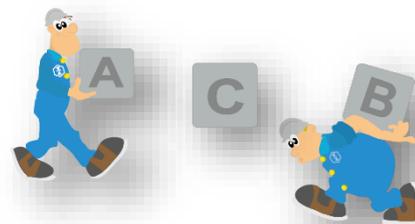
This requires the cooperation of all colleagues and requires constant and constant team effort throughout the organization, from management to the construction site and vice versa.

To achieve our goal, actions in the ABC safety program are rolled out centrally.

The actions are aimed at improving:

1. Leadership, commitment and behaviour
2. Information, instruction and training
3. Supervision, inspections and internal audits

The above safety program must lead to Ballast Nedam becoming a forerunner in the field of safety and health in the Netherlands. That we can measure ourselves with our international parent organization and partners. And "last but not least" that all our own employees, hired employees, employees of subcontractors, local residents and third parties can safely enter our construction sites and return home safely.



TARGETS/ACTIONS

	Target	KPI 2020 (based on a rolling year)
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> - To make responsibility, policy and commitment central themes of national safety day on Wednesday, 20 March 2019. - An accident-free Ballast Nedam. To conduct a visible safety campaign: "safety is as simple as ABC" – Always Be Careful. - To draw up a policy for each business unit based on Ballast Nedam's safety policy. - To define targets and work out safety policy in greater detail for each business unit. 	<p>Measuring lagging factors</p> <ul style="list-style-type: none"> - Injury frequency excluding subcontractors below 4.5. - Injury frequency including subcontractors below 4.5. - Measurement of restricted work case frequency. - Measurement of medical treatment case frequency. - Measurement of first aid case frequency. - Measurement of lost-time costs following accidents. <p>Measuring leading factors</p> <ul style="list-style-type: none"> - Measurement and recording of the number of SOS alerts. - Measurement and recording of the number of red and yellow cards. - Awarding of green cards to encourage positive safety behaviour. - Recording of the number of environmental incidents. - Recording the amount of toolbox meetings - Recording the amount of workplace inspections

3.2 Health and Well-being

We believe that a healthy living and working environment is essential for the quality of life.

Ballast Nedam wants to be a modern and professional employer that pays attention to its employees. We want to create conditions in which our employees can excel. Based on this belief, we are committed to a healthy, safe and motivating working environment for all employees.

We intend to add value to the working and living environment by going for better quality, more comfort and better health, for our customers. 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. Our own development efforts are inspired by the Blue Zones, areas 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 summarized this in ten guiding principles. In order to translate these into something concrete that we can apply to our work, we classified these principles under hardware (mobility, environment, nature, biodiversity and circularity) and software (exercise, healthy food, community, a sense of meaning and purpose, and relaxation), thus forming the framework for our ambition. In order to achieve our ambition, we are collaborating with four universities to set up a concrete area development plan with the Urban Blue Zone concept. In addition a significant improvement of the indoor air quality is applied in the houses by the Pure Air concept and the houses are developed under the DGBC Woonmerk (label).

In addition, as part of an area development in collaboration with nature- and environmental organizations and / or the Dutch bird protection foundation, we are creating bee- friendly spaces and insect hotels as well we are looking into integrating bricks for birds and bats into the façades of houses. 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.

TARGETS/ACTIONS

	Target	KPI 2020 (cumulative over the year)
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> - To create a living environment in accordance with the principles of a Blue Zone, places where people demonstrably experience a higher quality of living and working, and live and work more comfortably and healthier. - Work on a scientific basis for the fact that residents in a Blue Zone actually live longer - To contribute to increasing biodiversity. 	<ul style="list-style-type: none"> - Applying the Pure Air concept for at least 2 projects. - Creating bee-friendly spaces and insect hotels in at least two of our projects. - Creating built-in bricks/nest boxes for birds and bats in at least 1 project, at which the vegetation in public area is adapted to create an optimal living environment.

4. Good Employment Practices and Social Return

Ballast Nedam continuously focusses on providing an inclusive, motivating and productive working environment as we regard our human capital our most valuable asset. With the current shortage on the labour market in combination with our growth ambition means that finding and retaining the right people for the right job remains our greatest challenge.

Winning prestigious projects, offering interesting jobs and (international) career opportunities for starters and professionals, fostering our culture of professionalism and entrepreneurship and being present at schools and universities helps us to build a strong employer brand and company culture that people like to identify with and remain part of.

In view of this ambition the ability of our human capital to be productive now and in the future determines our key focus areas:

- Employer branding & recruitment
- Employee retention & career development
- Vitality
- Diversity and inclusiveness

Employer branding & Recruitment

For 2020 Ballast Nedam expects to fill between 300 and 350 vacancies. We thus provide many opportunities to join our company or to make a career step. Besides this Ballast Nedam increasingly offers students the chance to do internships and apprenticeships. Especially in the final year of their studies, it is important to offer them interesting opportunities for research projects and to familiarize them with starting positions within Ballast Nedam.

Our multi-channel recruitment approach combining increased social media exposure with own recruiters, referrals by colleagues, campus recruiters and external parties enables us to strengthen our employer brand, keep track of the labour market and increase the speed of fulfilment of vacancies.

Employee retention & career development

We are keen to retain our valuable employees for the long term and support their employability. Their knowledge, experience and loyalty is a competitive asset and remains so by continued training and development. Performance reviews and succession planning are therefore of the essence. We facilitate traineeships and various training programs to acknowledge potential and ambition and to maintain professional competence. Employee surveys can help us to better understand what people appreciate in working for Ballast Nedam, to adjust our policies and mitigate risks.

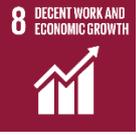
Vitality

Ballast Nedam strongly believes that the vitality of the employees determines the success of the organization. Apart from a continued focus on professionalism and career development we will closely follow up on employees unfit for work, deploy preventive measures and provide appropriate interventions, keeping absenteeism low. We will also support vitality initiatives such as social events, sport activities and health programs.

Diversity and inclusiveness

We offer people who have become detached from the labour market the chance to work on our projects. This allows them to acquire work experience and facilitates their return to employment. Ballast Nedam has a strong cultural diversity among its employees, which we use to increase our attractiveness on the labour market. We also value the importance to appoint more women into key positions, we will apply a preferential policy in case of equal suitability.

TARGETS/ACTIONS

	Target	KPI 2020
	Fill vacancies promptly. Measure efficiency (processing time between vacancy approved and candidate acceptance of offer).	<ul style="list-style-type: none"> - Duration of process to fill vacancies: 35% < 4 weeks; 65% < 8 weeks - Number of vacancies filled by means of referral bonus > 40 - Number of vacancies filled by external party < 30%
	Offer internships and apprenticeships to attract talent	<ul style="list-style-type: none"> - Number of interns/final-year students > 100 - Number of BBL apprentices > 15
	Retain employees and support career development	<ul style="list-style-type: none"> - Percentage of performance reviews held > 95% of eligible population - Voluntary staff turnover < 6% - Exit interviews voluntary leavers > 95%
	A healthy, safe and motivational working environment for all employees.	<ul style="list-style-type: none"> - Absenteeism Total / UTA / CAO employees < 4.1% / 2,5% / 5%. - Tracked vitality initiatives
	Make a positive contribution to society.	<ul style="list-style-type: none"> - Social return requirements are met and supported
	Promote cultural diversity	<ul style="list-style-type: none"> - Item in Employer Branding
	Diversity in key positions	<ul style="list-style-type: none"> - Apply preferential policy in case of equal suitability of male and female candidates.

5. Environment and Sustainability

5.1 Environmental Management

Ballast Nedam recognises the effects that human actions have on the planet. Clean drinking water, a reduction in CO₂ emissions and good air quality are essential if we want to ensure a good, healthy future for our planet. Available water must be used economically and pollution of the water system prevented. Fossil fuels are becoming ever more scarce, deforestation is a growing problem and soil and air pollution are topical themes. 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. 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. We use the 17 global goals (SDGs) to guide us and we have translated this into a strong vision on health and well-being which we apply to area developments such as the Maastricht Groene Loper (or 'green carpet') and the Cartesius triangle in Utrecht. We have also developed and applied the Pure Air concept - a method that guarantees cleaner indoor air. Our goal is to be at the forefront of sustainability in all our sectors and to inspire others.

In the area of biodiversity we sow seeds to create bee-friendly spaces, provide bee hotels and build

living, green walls. Our ambition for 2019 is that all homes developed will be energy neutral. Where this is not possible because of urban development principles or the volume of the development, we will do our utmost to develop as energy efficiently as possible. We are investigating the use of electric shared cars on various projects by fulfilling the preconditions and offering electric shared cars to replace people's first or second cars. Mobility as a Service. The first concrete agreements for this mobility concept have been made.

Besides the influence we exert over our own developments, sustainability certification, based on standards such as BREEAM, LEED, WELL, Woonmerk and the CO₂ performance ladder, offers considerable added value when it comes to implementing sustainable construction projects. It helps you transform statements into facts and make sustainability demonstrable.

Ballast Nedam is certified in accordance with NEN-ISO 14001:2015 Environmental Management Systems and the CO₂ performance ladder and has considerable experience in the area of BREEAM and LEED projects.

At Ballast Nedam we believe that every project presents an opportunity to make a positive contribution to the world of today and tomorrow. As a company we are therefore keen to do more and have fully embraced sustainability. We are changing our approach from one based on sustainable projects to one that revolves around sustainable operations. Over the past year we have already taken concrete steps towards realising this ambition. to the 17 UN goals and are now applying these as much as possible to our development projects.

The SDGs are being integrated into our business operations ever more, and also more deeply. In the past year, we have taken concrete steps in this regard. In line with our target, all (100%) of the homes we sold were gas-free. More than 80% of the houses developed by our company were constructed as energy-neutral and/or zero-energy buildings. We have also signed up to the Maastricht Energy Agreement with the Municipality of Maastricht, in which concrete targets are defined to achieve a significant energy reduction.

A covenant has been entered into with the Municipality of Eindhoven for making electric shared cars available at car parks in public areas.

In 2020 we expect we will again be involved in the development, engineering, construction and management of on- and offshore wind and solar farms, both nationally and internationally.

BN Renewables is the knowledge centre for renewable energy projects within our parent company Rönésans Group. With support from Rönésans we have the drive and passion needed to contribute to the renewable energy transition, also in emerging markets.

Our ambition is to realise renewable energy projects and speed up the transition to fossil-free energy production.

In 2019, an SDE subsidy (Stimulation of Sustainable Energy Production grant from the Dutch government) is applied for solar panels on the roofs of the Material Service in Almere. The realization of this is planned for 2020. As a result the Material Service becomes a power supplier from a customer in one go.

TARGETS/ACTIONS

	Target	KPI 2020 (cumulative over the year)
	Our ambition, from the perspective of our own project development, is to construct energy-neutral buildings only and invest in large-scale wind and solar projects.	- 90% of all houses sold are energy-neutral.
	To raise our level of ambition. We will no longer develop and construct buildings that do not meet the requirements of the future.	- We will propose, develop and apply the new mobility concept in at least 1 of our own integrated area development projects.

5.2 Energy, Air Quality and CO₂

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. Choices made in the built-up environment also have a significant environmental impact – not only during construction, but for decades afterwards.

The policy was aimed at reducing CO₂ emissions by 30% by 2020 compared to the reference year 2008, in relation to the turnover of our Dutch activities. After the reorganisation at Ballast Nedam, the reference year 2008 is no longer a realistic base and a new reference year will have to be determined. We intend to set 2019 as the new reference year for our long-term objective for 2030.

This new target relates to our own CO₂ emissions (scope 1 and 2) resulting from energy use at our offices (electricity and heating/cooling), at our construction and production sites (electricity, gas and diesel) and for mobility (petrol, diesel and CNG).

The target for scope 1 (natural gas, diesel and other fuels) is a 50% CO₂ reduction compared to 2019. For scope 2 (electricity, district heating and air traffic), we are aiming to become completely CO₂ neutral (i.e. 100% CO₂ reduction). The total reduction target for 2030 for scopes 1 and 2 together is 56% compared to 2019.

We also have a target for the CO₂ emissions generated 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). Performing LCAs together with our suppliers/subcontractors for at least three products has been included as a reduction target for 2020. 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, opportunities to improve energy performance will result from:

- acquiring projects in which sustainability and reducing CO₂ emissions are an important award criterion, as well as projects with BREEAM, LEED or CO₂ Aware certification;
- cutting the CO₂ emissions of our own vehicle fleet.

For 2019, we have taken the following measures in relation to our vehicle fleet:

The fleet of commercial vehicles we are rolling out consists only of vehicles equipped with load-based speed and acceleration limiters. This measure will contribute to a significant reduction in CO₂ emissions. The first two hybrid plug-in company vans are planned to be delivered in 2020.

In addition to our fleet of business vehicles, the further development of a new mobility concept ('from Fleet to Mobility') for our own leased car fleet will also receive our attention in the coming years. A personal budget to encourage the optimum use of public transport and/or electric shared cars or fully electric lease cars are options that will be elaborated and with which experience will be gained. Furthermore, the AKVC scheme has been amended to include electric cars.

The targets presented below are ambitious, but are comparable with those of our peers. We regard ourselves as an average performer in the area of reducing energy consumption. When it comes to the development and engineering of affordable renewable energy systems, our company sees itself as a leader in the field.

TARGETS/ACTIONS

	Target	KPI 2020 (cumulative over the year)
	Energy efficiency and use of renewable energy.	<ul style="list-style-type: none"> - CO₂ (scope 1&2) / Dutch turnover (tonnes CO₂ / turnover in millions) is < 22,7. - Initiatives within the chain to reduce energy consumption (minimum of 2 initiatives).
	To comply with Article 5 of the General Terms and Conditions of Purchase and Delivery. This relates to the supply of emissions data and LCAs for delivered products.	<ul style="list-style-type: none"> - Conditions (Article 5) implemented by managers/persons responsible for executing purchasing contracts, causing a greater availability of and insight into emissions data and LCAs for delivered products.
	To develop/improve knowledge (staff training) in the areas of material-efficient and sustainable design, LCA/LCC, environmental shadow prices for materials and energy saving during construction.	<ul style="list-style-type: none"> - Offering training sessions/courses/lunch lectures for employees from the tender department and work planners. - Performing at least three LCAs for products together with suppliers/subcontractors. This can also be a chain initiative.
	To gradually introduce LED lighting at our offices, factories and project locations and at the premises of our equipment supply company.	
	To purchase green electricity for all offices and projects.	<ul style="list-style-type: none"> - Conclusion of framework agreements for green electricity for both our projects and offices. - > 75% of all electricity purchased has Dutch green energy certificate (GVO's).
	Leasing policy: to use a newer generation of efficient engines.	<ul style="list-style-type: none"> - ± 4% reduction in CO₂ emissions by using speed and acceleration limiters on all new commercial vehicles. - Gaining experience with the use of the mobility card. - The introduction of the first electric cars and plug in hybrid company buses. - Constructing chargers for electric vehicles at our office locations.

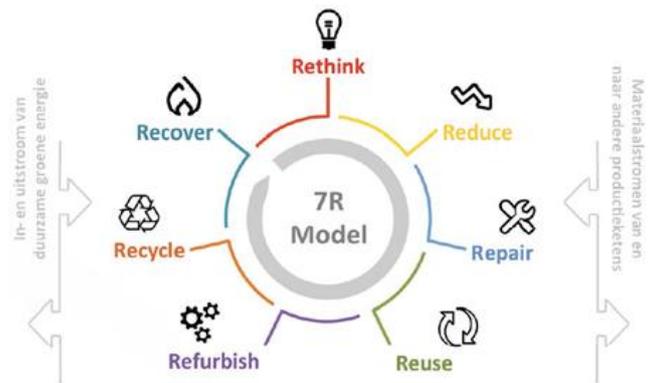
5.3 Waste, Recycling and Materials

In order to combat climate change and the further depletion of our natural resources, we will have to change our working methods. This means that we are going to develop our buildings and infrastructure such that all raw and other materials will soon be reusable, and that generating waste during the building/production stages must be prevented.

We consider waste to be a result of design, purchasing and implementation choices. Our policy aims to eliminate waste and apply circular materials. We will thus prevent unnecessary environmental costs, both now and in the future. We have two targets in this regard:

- Waste-free building sites in 2030, focusing on eliminating plastic and other packaging materials for single use, aiming at PUR-free building and avoiding toxic substances. This not only concerns separating and properly disposing of waste, but also smarter design, procurement and implementation. Any residual products that may still occur must be fully offered for reuse or recycling.

- Build 50% circular in 2030. This means using renewable and/or secondary materials in order to prevent further depleting our natural resources. We are going to build buildings where all the elements can be dismantled and reused where possible, but our preferred option is to build whole-life houses, so that buildings can be given different functions over time and will not need to be demolished or dismantled. 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 have adopted a lifecycle approach We assess the environmental impact of materials and processes on the basis of a lifecycle analysis (LCA); see targets under 5.2.

Ballast Nedam will turn circularity into concrete action in 2020. We are going to apply the Building Circularity Index to the Cartesius Triangle project. In addition, we aim to fully develop one development project with an MPG (environmental performance of constructions and civil engineering works) value of 20% below the standard rating next year.

TARGETS/ACTIONS

	Target	KPI 2020 (cumulative over the year)
	The percentage of construction and demolition waste (CDW) is a measure of the extent to which waste is separated on the construction site.	<ul style="list-style-type: none"> - A separation rate of 70% (100% minus %CDW and commercial waste) on the construction site. - A separation rate of 92% including subsequent separation. - Zero plastic packaging materials at building sites and office locations in 2030.
	Demonstrably apply of sustainable wood	<ul style="list-style-type: none"> - Minimum of 2 FSC claim each year
	To focus on sustainability and the sustainable use of materials when selecting subcontractors/suppliers. To use sustainable materials.	<ul style="list-style-type: none"> - Adaptation of purchasing analysis to include element on sustainability. - Consult with the largest suppliers / subcontractors to achieve a reduction in the chain.
	Ballast Nedam will turn circularity into concrete action by using renewable and/or secondary materials, build buildings where all the elements can be dismantled and reused.	<ul style="list-style-type: none"> - Realisation circularity index of 50% in 2030 - To develop one new project with a 20% lower MPG

6. Innovation

Innovation within Ballast Nedam is linked to the drive to continuously improve and to become the most efficient builder. We focus both on improving our products and services (Improve the Existing) and on our processes and information provision. Through innovations we want to offer our customer added value and we are convinced that these innovations also lead to opportunities for sustainability and profitability.

The focus for our products and services lies with 'Improve the Existing' by focusing more on innovation within the individual companies. The spearheads within which we want to innovate are energy and sustainability, modular sustainable construction concepts and industrialization of the construction process. The coming year we will go completely gasless, the further development of the sensor technology, gravity base foundations for windmills and modular concepts such as Modupark and Ursem. We also focus on the development and application of more sustainable products (including asphalt) and we will draw up multiple LCAs for these products. In the area of product innovations, the Materials Science department will function as an innovation desk and maintain contacts with subsidy organizations.

The focus in process and information innovations is on increasing efficiency. Reducing failure costs in projects and recording data through IT systems for quality improvement and reducing direct costs. We focus on digitization of the building process and virtual building. With regard to this digitization, we have organized a steering group that represents the managements of the business units and the most important directors from the technical services (Tendering and Design & Engineering) and ICT. They jointly make the decisions for the direction in which Ballast Nedam moves and make budget free. Multiple Information Boards report to this steering committee and provide bottom-up innovative ideas in the field of process and information management, given that the outside world is very dynamic and changeable. Topical themes are document management, register management (K2), systems engineering, collaboration tools BIM2Design and BIM2Constructm, 4D plans, engineering workplace and Pavement Information Modeling (PIM).

TARGETS/ACTIONS

	Target	KPI 2020 (cumulative over the year)
	To take full advantage of the organisation's innovative capacity to deliver added value for the customer.	Keeping a record of the number of innovations and a description of the innovation.

7. 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.

Our compliance and integrity policy is 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.

TARGETS/ACTIONS

	Targets	KPI 2020
	<ul style="list-style-type: none"> - To create awareness on compliance and reporting compliance issues - Improve due diligence - To update training courses. - To improve access to compliance- and integrity-related information. 	<ul style="list-style-type: none"> - Roll-out of a new Code of Conduct with an awareness campaign. - Investigation of an automated compliance screening tool, expansion of due diligence and risk assessment process within procurement and tender process. - Development of new online training tool for compliance and integrity. - update intranet site for compliance.

8. Stakeholder Management

We have to draw on our versatility and creativity to ensure the technology we use contributes to the achievement of social and ecological objectives, as well as to the meeting of stakeholder expectations. 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.

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. Since the code of conduct was amended in 2019, resulting in an assessment using much stricter criteria, we are not increasing our target for 2020, but we are keeping it at the same level as for 2019.

TARGETS/ACTIONS

	Target	KPI 2020 (cumulative over the year)
	To carry out all projects under the “Bewuste Bouwers” (“Considerate Constructors”) banner, which means we are considerate in our dealings with people and the environment.	<ul style="list-style-type: none"> - All Dutch projects with a value in excess of €2 million, or €500,000 in inner-city locations, and a duration of more than 3 months are notified to Bewuste Bouwers. - The average audit figure from Bewuste Bouwers is higher than 7.

ANNEX: Table A

Subject	Target	KPI	KPI ex-internal	KPI	Unit	Target 2019	Results for 2019 (P9)	Target for 2020	Target for 2021	Target for 2022	Target for 2030	
Safety, Health and Well being	Our aim is to make Ballast Nedam an accident-free company and to conduct a visible safety campaign: 'safety is as simple as ABC' – Always Be Careful.	Injury frequency excl. subcontractors	External	BU		<6.0	3,15	<4.5*	<3.5	<2	<1	
		Injury frequency incl. subcontractors	External	BU		<6.0	4,57	<4.5*	<3.5	<2	<1	
		Restricted work case frequency	Internal	BU								
		Medical treatment case frequency	Internal	BU								
		First Aid case frequency	Internal	BU								
		Lost-time costs following accidents	Internal	BU								
		SOS alerts	Internal	BU	#			1312				
		Green cards	Internal	BU	#			15				
		Yellow cards	Internal	BU	#			107				
		Red cards	Internal	BU	#			21				
		Environmental incidents	Internal	BU	#			20				
		Amount of toolbox meetings	Internal	BU	#							
		Amount of workplace inspections	Internal	BU	#							
	To create a living environment in accordance with the principles of a Blue Zone, places where people demonstrably experience a higher quality of living and working, and live and work more comfortably and healthier.	Applying the Pure Air concept	Internal	Central	# projects			n.a.	2	3	4	
		Creating bee-friendly spaces / insect hotels and nest boxes for birds and bats	Internal	BU	# projecten			n.a.	3	4	5	
Good Employment Practices and Social Return	A healthy, safe and motivational working environment for all employees. As part of our activities we also contribute to the training and employment of young people and individuals who have become detached from the labour market.	Duration of process to fill vacancies	Internal	BU	Weeks/average	8 wk	7,6	<8	<6	<6		
		- filled by means of referral bonus	Internal	BU	#	25	18	40	45	50		
		- filled by external party	Internal	BU	#	40%	43%	30%	25%	20%	20%	
		Number of interns/final-year students	Internal	BU	#	>80	112	>100	>100	>100	>100	
		Number of BBL apprentices	Internal	BU	#	>15	13	>15	>15	>15	>15	
		Voluntary turnover	Internal	BU	%	<6%	4,84%	<6%	<4%	<2%	<2%	
		Performance reviews held	External	BU	%	95%	79%	95%	95%	95%	100%	
		Exit interviews voluntary leavers	Internal	BU	%	95%		95%	95%	95%	95%	
		Absenteeism	External	BU	%	4.2%	3,48%	4.1%	4.0%	4.0%	4.0%	
	Projects with social return	Internal	BU	#								
Promote cultural diversity and diversity in key positions	Item in Employer Branding	Internal	Central									
	Apply preferential policy in case of equal suitability of male and female candidates	Internal	Central									

*20% lower than IF 2019 with a maximum of IF 4.5

Subject	Target	KPI	KPI ex-internal		Unit	Target 2019	Results for 2019 (P9)	Target for 2020	Target for 2021	Target for 2022	Target for 2030
Environment and Sustainability	We are changing our approach from one based on sustainable projects to one that revolves around sustainable operations. We also assess each of our own developments for potential ways to contribute to the 17 UN goals. Our ambition is to construct energy-neutral buildings only and invest in wind and solar projects. Energy efficiency and use of renewable energy.	% energy-neutral houses sold	External	Central	%	70%	>80%	90%	95%	100%	
		Apply the new mobility concept in our integrated area development projects	Internal	Central	#	1	1	2	2	3	
		CO ₂ (scope 1&2) / Dutch turnover	External	BU	tonnes CO ₂ / turnover	23,2	28/23	22,7	21,8	21,1	10,2
		Reduction target	External	BU	%compared with 2019			2%	6%	9%	56%
		Initiatives within the chain	External	BU	#	2	2	2	3	4	50%
		Availability of emissions data and LCAs for delivered products.	Internal	BU	#			20	30	40	50%
		Performance of LCAs for products	Internal	Central	#	2	2	3	4	6	
		% purchased green electricity	External	Central	%		72,5 (2018)	75%	80%	85%	100%
		Pilot with the mobility card	Internal	Central	#			2			
	Electric cars and plug in hybrid company buses.	Internal	Central	#			4	40	100	100%	
	To reduce material consumption, eliminate waste and increase the separation percentage of any waste created. To encourage circularity and make use of Madaster.	Total quantity of waste produced	Internal	BU	tonnes		15,748				
		Separation rate	External	BU	% (100 - %CDW)	67%	69,7 (P6)	70%	73%	75%	95%
		Separation rate incl. subsequent separation	External	BU	%	92%	91,7 (P6)	92%	94%	96%	98%
		Reduction of plastic packaging materials at building sites and office locations	Internal	BU	%			>10%	>20%	>30%	100%
		FSC claim	Internal	BU	#	2	1	2	3	4	
		To develop one new project with a lower MPG	Internal	Central	%			20%	25%	30%	50%
		Realisation circularity index	Internal	Central				Gain experience			50%
Integrity	Create more awareness regarding compliance topics, such as anti-corruption / human rights etc.	Roll-out a new code of conduct with an awareness campaign	External	Central	%		50%	100%			
Innovation	To take full advantage of the organisation's innovative capacity to deliver added value for the customer.	Innovations within projects	Internal	BU	#			1 / project	1 / project	1 / project	
Stakeholder Management	We must ensure convenience and clarity during projects, no disruption.	Number of current projects notified to Bewuste Bouwers	Internal	BU	#						
		Average audit figure	Internal	BU	Figure 1-10	>7	7,4	>7	>7	>7.5	>8