### Key figures 2009

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (in € million)</td>
<td>8,353</td>
</tr>
<tr>
<td>Operating result (in € million)</td>
<td>(39.5)</td>
</tr>
<tr>
<td>Result before tax (in € million)</td>
<td>(52.8)</td>
</tr>
<tr>
<td>Net result attributable to shareholders (in € million)</td>
<td>31.3</td>
</tr>
<tr>
<td>Earnings per share (in € 1.–)</td>
<td></td>
</tr>
<tr>
<td>• basic</td>
<td>0.23</td>
</tr>
<tr>
<td>• fully diluted</td>
<td>0.23</td>
</tr>
<tr>
<td>Order book * (in € million)</td>
<td>11,200</td>
</tr>
<tr>
<td>Average number of employees</td>
<td>28,464</td>
</tr>
<tr>
<td>Number of employees at year-end</td>
<td>27,212</td>
</tr>
<tr>
<td>Corporate carbon footprint (in kTon)</td>
<td>277</td>
</tr>
<tr>
<td>Waste production (in million m³)</td>
<td>5.0</td>
</tr>
<tr>
<td>IF (Incident Frequency)</td>
<td>7.3</td>
</tr>
</tbody>
</table>

* The order book comprises both signed contracts and verbally agreed upon orders.
Royal BAM Group nv is a successful European construction group with operating companies in five home markets. The Group’s administrative centre is in the Netherlands and it is listed on the Euronext Amsterdam stock exchange.

BAM operates in the Construction, Property, Civil Engineering, Public Private Partnership, Electrical and Mechanical Contracting, Consultancy & Engineering and Facility Management sectors. The Group ranks among the largest construction companies in Europe. BAM is a market leader in the Netherlands and has a strong market position in the United Kingdom, Ireland, Belgium and Germany.

One of BAM’s prominent features is its widespread regional network of offices, which ensures that the company is close to its clients. BAM offers its clients a substantial package of products and services in the home markets.

The Group is involved in specialist construction and civil engineering projects in niche markets worldwide.

BAM also provides consultancy and engineering services to global clients.

With some 27,000 employees, BAM works on thousands of projects every year, some of which are eye-catching construction contracts in terms of size and/or complexity.

BAM’s corporate philosophy is to offer its clients genuine value and develop a close and long-term relationship with them in order to achieve optimum solutions as regards maintenance, modernisation and expansion of the built environment.

BAM is renowned for the quality and reliability of its products and services as well as for the commitment, knowledge and experience of its employees.
## Organisation structure

### Royal BAM Group

<table>
<thead>
<tr>
<th>Sector</th>
<th>Operating company</th>
<th>Active in this sector</th>
<th>Associated company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Construction

<table>
<thead>
<tr>
<th>Netherlands</th>
<th>Property</th>
<th>Civil engineering</th>
<th>PPP</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAM Nederland</td>
<td>BAM Utiliteitsbouw</td>
<td>BAM Civil</td>
<td>BAM PPP</td>
</tr>
<tr>
<td></td>
<td>AM</td>
<td>BAM Infratechniek</td>
<td>Mechanical and electrical contracting</td>
</tr>
<tr>
<td></td>
<td>BAM Woningbouw</td>
<td>BAM Rail</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hollogers</td>
<td>BAM Wegen</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Penning</td>
<td>IPMMAC</td>
<td></td>
</tr>
</tbody>
</table>

### Property

<table>
<thead>
<tr>
<th>Belgium</th>
<th>Property</th>
<th>Civil engineering</th>
<th>PPP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interbuild</td>
<td>Betonac</td>
<td>Interbuild</td>
<td></td>
</tr>
<tr>
<td>Interbuild</td>
<td>Interbuild</td>
<td>Betonac</td>
<td></td>
</tr>
</tbody>
</table>

### Civil engineering

<table>
<thead>
<tr>
<th>Ireland</th>
<th>Property</th>
<th>Civil engineering</th>
<th>PPP</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAM Building</td>
<td>BAM Property</td>
<td>BAM Civil</td>
<td></td>
</tr>
</tbody>
</table>

### Worldwide

<table>
<thead>
<tr>
<th>Germany</th>
<th>Property</th>
<th>Civil engineering</th>
<th>PPP</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAM Deutschland</td>
<td>W&amp;F Ingenieurbau</td>
<td>BAM International</td>
<td>Consultancy and engineering</td>
</tr>
</tbody>
</table>

### Other

- BAM Nederland (21.5%)
- Van Oord (21.5%)

---

* BAM Construction and BAM Properties are part of BAM Construct UK.
** BAM Building, BAM Property and BAM Civil are part of BAM Contractors.
Table of contents

Profile of Royal BAM Group / 1
Organisation structure / 2
About this report / 4
Executive statement / 5
BAM and Sustainability: Strategy and Policy / 8

People
BAM Business Principle 1: Clients / 10
BAM Business Principle 2: Society / 14
BAM Business Principle 3a: Safety / 18
BAM Business Principle 3b: Diversity / 24
BAM Business Principle 3c: Learning and development / 28

Planet
BAM Business Principle 4: Environment / 32
BAM Business Principle 5a: CO₂ / 36
BAM Business Principle 5b: Waste / 40
BAM Business Principle 5c: Sustainable procurement / 44

Prosperity
BAM Business Principle 6: Corporate integrity / 48
BAM Business Principle 7: Innovation / 52

PricewaterhouseCoopers' Assurance Report / 56
Appendix: Overview of GRI indicators / 58
Verification of this report

Compiling a complete, transparent report of the group’s activities is of great importance to BAM. For this reason, BAM asked PricewaterhouseCoopers N.V. (PwC) to verify the content of the 2009 Sustainability Report for the first time this year. PwC was able to verify ‘Business Principle 3a: Safety’ with reasonable certainty and the remaining information in the report with limited certainty. The assurance scope is limited to all information pertaining to 2009. The Assurance Report is on page 56 of the report.

Target group for the sustainability report

Royal BAM Group accounts for its sustainability policy and the results to all stakeholders in the sustainability report. The stakeholders are clients, BAM employees, suppliers and subcontractors, shareholders, other organisations in the construction sector, non-governmental organisations and government bodies. BAM considers stakeholders to be any organisations or persons who may reasonably be expected to be affected significantly by the organisation’s activities, products and/or services. Stakeholders are also involved in activities which may be expected to have an impact on BAM’s ability to successfully implement its strategy and achieve its objectives as an organisation. The organisation’s stakeholders were identified based on these considerations.

Reporting process

The reasonable expectations and interests of the stakeholders referred to and the expectations of society at large represent the essential points of reference for the content of this sustainability report and therefore also for the reporting process. The scope of the report in terms of the issues and indicators covered was decided after consultations with internal and external stakeholders. It is designed to ensure that any significant economic, environmental and social consequences are included. This encompasses both positive and negative performance on the part of the organisation. The priority given to the subjects included in the report is based on their influence on the organisation’s operations and vice versa. The following three key subjects have been determined based on reports assessing BAM’s sustainability policy, conversations with internal and external stakeholders and analyses of guidelines and agreements:

1. Safety
2. CO2 emissions
3. Waste management

In addition, individual operating companies can introduce their own emphasis in the Business Principles based on their specific sector and geographic situation.
The Dutch operating companies, for example, place high priority on integrity and diversity, while the UK companies focus more on community engagement.

The collection of data took into account the decentralised structure of the organisation and the priority level attached to the various subjects. Quality and quantity information was provided by all the operating companies in the sectors and home markets in which BAM operates. Information regarding two of the key areas – CO2 emissions and waste management – was collected using an integrated reporting system similar to the corporate financial reporting system. This integrated system was implemented during the year under review.

A structured reporting process for safety has been in place for a long time. The nature of the data (measured, estimated, calculated) is indicated consistently throughout the report. The data is consolidated at Group level.

Other sources of information

In its annual financial report, Royal BAM Group provides extensive information about the organisation’s activities. The financial report also includes information about the management structure, corporate governance and remuneration policy. This information is available to download at www.bam.eu.

Other communications with stakeholders

In addition to communicating by means of this report, BAM also engages in dialogue with stakeholders at special events. During the year under review, the BAM symposium on reducing CO2 emissions was organised for clients, suppliers, subcontractors and government bodies. An event was also organised in 2009 with a hundred Dutch suppliers on the subject of socially responsible procurement. These events are described later in this report.

In March 2010, Royal BAM Group will join forces with the Dutch Association of Investors for Sustainable Development (VBDO) to organise a stakeholders’ dialogue, bringing together clients, suppliers, government, non-governmental organisations (NGOs) and BAM employees. This stakeholders’ dialogue will be an annual event. Communication with investors takes place at the many different roadshows, seminars and presentations to investment clubs and others given by the Chief Financial Officer and the Investor Relations Manager. In 2009, there were more than 25 roadshow days and over 200 meetings (2008: 210). All dates and locations of roadshows, seminars and the like are published on the BAM website.

Update of BAM’s Business Principles in 2010

The BAM Business Principles have formed the basis of the Group’s sustainability policy since 2008. In 2010, BAM will check its Business Principles to determine whether they still meet the expectations of the Group’s current and future stakeholders in all respects. Rapid economic, political and environmental changes might make amendments necessary, as might internal developments such as the publication of the Strategic Agenda 2010-2012. Internal stakeholders indicated their view, for example, that they feel further clarification of BAM’s current principles is important. There is a need to be more explicit about BAM’s responsibility in respect of the supply chain and about BAM’s vision of how to generate economic growth through sustainable business operations.

It is against this background that BAM will talk to internal and external stakeholders – during the BAM Stakeholders’ Dialogue in March 2010 – about the possible ways in which the aforementioned issues could be addressed in the Business Principles along the following lines.

Supply chain: BAM aims to develop a sustainable relationship with its partners in the supply chain.

BAM treats its partners in the supply chain in a responsible manner and aims to use the knowledge and skills of its preferred partners who work with BAM to promote and develop sustainable business operations and best practices across the entire sector.

Margin: BAM aims to achieve economic growth using sustainable solutions

BAM’s objective is to create economic value for its stakeholders by employing the most effective and responsible products and means of conducting business operations. As far as BAM is concerned, sustainability results in economic prosperity.

If you have any questions about BAM’s sustainability policy or about this sustainability report, please do not hesitate to contact the Director of Corporate Social Responsibility, Mr T.P.L.M. van Beek, Royal BAM Group nv, P.O. Box 20, 3980 CA Bunnik, the Netherlands, t.van.beek@bamgroep.nl
‘Sustainability is deeply ingrained within BAM. It is also one of the key areas in our policy and has been included in the Strategic Agenda for the 2010-2012 period. BAM works intensively with its stakeholders to ensure the further development of corporate social responsibility within the BAM organisation. BAM aims to continue playing a leading role in the construction sector in this regard.

The Group’s ambition continues to be to achieve sustainable business operations. As a guide, seven BAM Business Principles have been drawn up. The key areas of reduction of CO₂ emissions, waste management and safety have been given priority. In addition to these three key areas, the issues of community engagement, integrity and diversity feature high on the agenda of our operating companies.

Although BAM is facing the consequences of the worldwide recession, the Executive Board endorses the importance of continued investment in further improvements to BAM’s sustainability performance and the continued development of sustainable innovations. In addition to the need for corporate social responsibility for the environment and society, BAM also believes that there are sound economic reasons to justify CSR. In assessing our tenders, for example, major clients are increasingly taking account of sustainability criteria and society is looking for total solutions to issues raised by socio-economic and environmental changes. BAM sees opportunities in the development of new products and concepts in areas such as water management and limiting energy consumption in the built-up environment.

BAM operating companies and BAM employees put the principles of corporate social responsibility into practice on a daily basis in numerous different areas. The sustainability report for 2009 again demonstrates the sheer variety and multiplicity of initiatives developed within the BAM Group. One of the most important results achieved during the last year is that our operating companies now collect sustainability data on a structural basis, which enables us as an organisation to actively focus on results. Defined Key Performance Indicators (KPIs) also make it possible to measure progress achieved in this process.’

J.A.P. van Oosten
Chairman of the Executive Board

‘BAM aims to offer its clients the most economical solution while keeping to a minimum any negative impact on the environment. BAM aims to meet the expectations of its clients by means of innovative products and services, thus contributing to solving their problems. Truly sustainable solutions are achieved by combining forces in the supply chain. As a result, BAM seeks to work together with its clients and other interested parties on sustainability as early as possible in the design and tendering process.

In 2009, BAM again organised a symposium on sustainability. The symposium featured the introduction of Project Carbon Calculator (PCC), the Carbon Calculator being a practical tool used in co-operation with supply chain partners to determine the options for CO₂ reduction in the procurement and construction phases of a project. BAM’s study revealed that an average CO₂ reduction of approximately 8 percent is possible. This result has prompted BAM to introduce PCC systematically and, where possible, to adopt a proactive approach to offering clients possibilities for reducing CO₂. BAM is also making the tool available to other organisations in the construction sector and other interested parties.

BAM is delighted that the organisation has regular discussions with stakeholders about sustainability policy and intends to further intensify these contacts. The Dutch Association of Investors for Sustainable Development (VBDO) is providing invaluable assistance in working with BAM to organise an annual stakeholders’ meeting starting in 2010. The views of client representatives, suppliers, non-governmental organisations and financial analysts will enable us to further improve our sustainability policy.’

N.J. de Vries
Vice Chairman of the Executive Board
‘Embedding every aspect of sustainability in the organisation – from safety to energy management – demands constant effort as well as the involvement of all employees. BAM’s operating companies can learn a lot from each other in the process, beyond the borders of their own sectors or countries. This is another case where the Group’s organisational structure proves its worth.

A range of initiatives and experiences in the United Kingdom – including safety procedures and community engagement – have demonstrated their value as regards copying them in other home markets. Equally, the knowledge and experience of German BAM employees in the construction of energy-efficient schools proved especially valuable in securing the contract for the very first energy-neutral school in the United Kingdom.

In today’s society, total solutions are required in order to meet the challenges of socioeconomic and environmental developments. From BAM’s point of view, areas such as water management and reduced energy consumption in built-up areas present opportunities to develop new products and concepts.’

M.J. Rogers  
Member of the Executive Board

‘In compiling its 2009 Sustainability Report, BAM – as in 2008 – has applied the international guidelines of the Global Reporting Initiative. For the first time this year, the report has also been verified by PricewaterhouseCoopers.

Transparent, consistent reporting helps to monitor progress made in implementing BAM’s sustainability policy. Sustainability is high on BAM’s agenda. Everyone is aware of the importance of continually improving the sustainability of operations at the day-to-day level. But there is always room for improvement, which is another reason why it is important for BAM to report on these issues. As the Dutch say, ‘the numbers tell the tale’.

Results that are measurable are instrumental in creating a transparent organisation. An even better understanding of the data collection process is therefore needed in addition to using BAM’s financial reporting system to collect, classify and evaluate sustainability data.’

J. Ruis  
CFO

‘BAM is proving increasingly successful at entering into cross-project alliances with regular partners. This form of collaboration means that the question of who BAM will work with on a project no longer needs to be answered. Instead, the company can concentrate on questions concerning the project itself, such as the most efficient way to carry it out. As well as making good business sense, this also provides significant benefits in terms of sustainability. In taking this approach the company creates a platform for reaching agreement on such issues as waste management, CO₂ emissions, safety and a healthy working environment.

Sustainable procurement and construction projects are complex processes that require commitment for the long haul. Nevertheless, BAM is already making progress in these areas at its offices, in its fleets of vehicles and of course most significantly in projects and on construction sites. In 2009, BAM assessed the sustainability performance of its main suppliers. At the start of 2010, the company shared the results of this audit with its Dutch suppliers so that the two sides can take a joined-up approach in order to achieve the necessary results in the future.’

R.P. van Wingerden  
Member of the Executive Board
BAM and Sustainability: Strategy and Policy

Milestones in 2009

- Safety:
  - Re-evaluation of the Health and Safety Management Guideline;
  - Further improvement of safety awareness (increased SAA score);
- CO2 management: implementation of a reporting system incorporated into the regular financial reports;
- Waste management: start of co-operation with supply chain partners in order to reduce waste production and optimise waste processing;
- Diversity: start of workshops on Diversity and Inclusive Leadership, top down;
- Integrity: BAM took 1st place in the Dutch Investors’ Association (VEB) survey for the third time in a row;
- Community engagement: donation of €1000 each made to 140 charities proposed by BAM employees to mark BAM’s 140th anniversary.

Objectives for 2010

- Safety:
  - Organise a safety day across the entire Group for BAM employees and subcontractors;
  - Improve the safety results of the operating companies with below-average safety scores;
- CO2 management: a 5 percent reduction in the carbon footprint in 2010, corrected to reflect developments in turnover and the type of business activities compared to 2009 as the baseline year;
- Waste management: formulation of KPI-based objectives in 2010 to be implemented from 2011 onwards;
- Diversity: introduction of KPI-based objectives, namely women make up a minimum of 15 percent of new recruits and a maximum of 5 percent of people leaving the company in Dutch operating companies;
- Integrity: full continuation of the compliance programme;
- Community engagement: further implementation of the Considerate Constructors’ Hallmark (Keurmerk Bewuste Bouwers) and approval of construction sites by monitors.
Implementation

Sustainability has been integrated into the organisation at all levels, with each level having its own role and responsibilities. Policy is determined at Group level by the Executive Board in consultation with the Director of Corporate Social Responsibility, for example, and the strategic agenda is set in consultation with senior management. The Executive Board discusses the main aspects of the strategic agenda with the members of the operating company boards of management at the six-monthly senior management meetings, in which issues relating to prioritisation, target setting and progress monitoring are raised.

This is the first step in embedding sustainability policy in the organisation. The policy is then further locked in by and in collaboration between the operating companies. Given the decentralised structure of the organisation, the BAM operating companies are free to implement the general (but always prevailing) Group policy in the way that best suits the companies’ specific situations in their individual sectors.

The final step is the implementation of specific sustainability measures for individual workers at the regional and project level.

This is shown in the organisational model below.

Strategy

Sustainability plays a leading role in BAM’s strategic agenda 2010-2012.
The organisation’s strategy is based on four key areas: high-quality expertise, human resources management, optimum exploitation of Group resources and corporate social responsibility.
BAM’s mission states that by taking responsibility for people and the environment the Group can respond to the expectations of both current and future stakeholders in a world of rapid economic, political and environmental change.

Policy

The BAM Business Principles underpin the Group’s sustainability policy. Through key values and fundamentals, the Business Principles translate BAM’s sustainability strategy and mission into concrete implementation in the form of codes, guidelines and standards.

Based on global economic and environmental developments, an analysis of the interests of BAM’s stakeholders and the organisational strategy, three of BAM’s Business Principles have been given priority, namely safety, CO2 reduction and waste management.

In the year under review, a corporate reporting system was established for the collection of CO2 data and waste data in all parts of the organisation. This process is co-ordinated at Group level by a CO2 and waste co-ordinator. A careful process for reporting safety data has already been in place for a long time and is co-ordinated by the corporate safety officer.
BAM Business Principle 1

Clients

BAM aims to ensure that it has satisfied clients. The Group considers it essential that clients have confidence in the company and that BAM meets their expectations. BAM works together with clients and supports them in the development of sustainable solutions.

Results for 2009

- BAM Utiliteitsbouw offers a green assessment and a sustainable design alternative.
- Development of industry-wide sustainable guidelines, such as the Existing Buildings Toolkit.

Objectives for 2010

- Further implementation of collaborative working with supply chain partners.
- Continued development of new guidelines, such as the Sustainable Area Development Toolkit.
- Organisation of KPI-related client satisfaction surveys and the setting of quantitative targets.
Royal BAM Group distinguishes between three phases in the relationship with clients: the planning process, the implementation and the aftercare. BAM’s role in the first and final phases of the project is becoming increasingly important. It is BAM’s policy to become involved as early as possible in the development and construction process in order to focus as effectively as possible on the client when providing a sustainable product.

BAM is also taking a range of initiatives in order to enhance its upstream position in the value chain. Various business units and concepts have been developed, for example, including BAM Duurzaam, Office-Up and Vitaal ZorgVast.

**Office-Up** redevelops commercial property by transforming unmarketable office buildings into modern, functional offices or by converting them for a new designated purpose.

As a response to changes in the market forces in the Dutch healthcare sector, **Vitaal ZorgVast** creates added value for clients in the form of process integration and risk-sharing in the development of healthcare institutions.

**BAM Duurzaam** is a business unit that focuses in close co-operation with BAM Techniek - Energy Systems on the development, design, construction, financing and long-term operation of sustainable energy systems in residential construction, the care sector and non-residential construction. BAM Duurzaam offers clients the opportunity to develop, produce and operate sustainable energy systems. These are long-term contracts that ensure energy supplies at favourable rates and make a significant contribution to reductions in CO₂ emissions. A number of projects have already been completed and are now in operation. BAM Duurzaam continues to invest as much as possible in innovative developments and products.

In addition to these business units and concepts, BAM has also developed tools that make it easier to identify and measure its clients’ wishes.

**The Project Carbon Calculator**, for example, provides a practical tool designed to be used with supply chain partners to determine the possibilities for reducing CO₂ emissions in the procurement and implementation phases of a construction project. Based on the open source principle, the tool can be expanded and enhanced by clients, suppliers and other partners in construction. The Carbon Calculator is explained in detail in the chapter on BAM Business Principle 5a – CO₂ emissions.

**The Sustainable Stadium Construction Toolkit** is an initiative developed by BAM Utiliteitsbouw for the sustainable design and construction of sports stadiums. BAM intends to make this toolkit available to the market. The document is expected to play a major role in the proposal developed by The HollandBelgium Bid, the organisation aiming to bring the Football World Cup to Belgium and the Netherlands in 2018 or 2022. Along with several other leading companies, BAM is an official partner of The HollandBelgium Bid.

**The Green-Up Tool** is a digital analysis model developed by BAM Utiliteitsbouw in which the ambitions, wishes and budget of the client act as input. The output provides information about the plan of action, all-in cost of construction, returns on investment and payback time for a reference project. This information means that the individual client can be offered a customised service.

**The Existing Buildings Toolkit** developed by BAM Woningbouw provides housing corporations with well-considered measures for renovating older buildings and makes it possible to calculate the impact of energy improvement measures on housing costs. Presented in early 2009 to the Dutch Minister of Housing, Communities and Integration Van der Laan the toolkit offers a sustainable solution for 53 percent of the existing Dutch housing stock.

**Countdown procedure**

Client feedback provides the organisation with important information about what is going well and where there is room for improvement. Client feedback for BAM Construct UK revealed that the completion of projects was an area where more attention was required. BAM Construct UK therefore implemented a countdown procedure. The procedure starts 16 to 20 weeks before the planned date of project completion and provides a plan of action and a step-by-step guide to achieve flawless completion. The countdown procedure has resulted in improved client feedback and a reduction in repair costs after completion.
Public Private Job Rotation

With a view to improving communications between clients and BAM by allowing each side to gain an increased understanding of the other’s interests, BAM Wegen and the Netherlands Directorate-General for Public Works and Water Management (implementing body of the Ministry of Transport, Public Works and Water Management) established the Public Private Job Rotation pilot project. In this project, employees from BAM and the Directorate-General swapped jobs in order to learn about each other’s organisations from the inside. The theme of risk management was chosen as the starting point for this pilot project. The project proved to be a very positive experience for participants from both BAM and the Directorate-General. Options for a follow-up project are currently being considered.

Energy-Neutral Industrial Estate Competition

The Municipality of Tilburg launched a competition for the best design for an energy system for an energy-neutral industrial estate (Vossenberg-West). Large industrial companies, transport companies and logistical service providers will set up business on this 70-hectare site. In April 2009, Mr E. Nijpels, chairman of the jury and former Dutch Environment Minister, announced that BAM’s proposal was the best of the thirty entries that had been received. The BAM concept is 75.5 percent more energy-efficient than the baseline situation and requires the lowest additional investment in order to achieve the energy savings. BAM uses atriums, sawtooth roofs, heat and cold storage systems, concrete core activation and energy-efficient ventilation and lighting to reduce energy consumption in business premises. The project leader of BAM’s multidisciplinary team had the following to say about the importance of an optimum relationship with the client: ‘What we achieved was hardly rocket science – we simply listened carefully to the client. Our plan of action not only focuses on the technical solution, but also on the process that the client goes through with the builder. This is possible because BAM has all of the disciplines in house.’

British Prime Minister praises BAM Construct UK’s Chamberlain College project

BAM Construct UK built the Joseph Chamberlain College in Birmingham. The college has offered 1,600 students living and study accommodation since September 2008 and it also has a library and sports facilities. In October 2009, the complex won the prestigious Prime Minister’s Better Public Building Award 2009. Presenting the award, Prime Minister Brown said: ‘This award is all about how creative design and high-quality construction lead to better public services. The Joseph Chamberlain College is an excellent example of this.’ The Prime Minister’s Award recognises criteria such as effectiveness upon project completion, value for money and high-end design. The award is part of the British Construction Industry Awards.

International architects’ firms positive about co-operation with BAM

BAM Construct UK has been ranked by the world’s leading architects’ firms as one of the top five non-residential construction companies to work with. The British magazine Building Design asked more than two thousand architects’ firms which construction companies they preferred to work with. The results were announced in the BD World Architecture 100 report. BAM secured joint-second place. BAM Construct UK is especially pleased with the award since the initiative for the award came from the world of the architects. Architects and designers are increasingly looking to enter into partnerships and BAM is happy to oblige.
BAM sees LCC as the basis for a company-wide vision in which the client’s objectives play a key role. Within BAM Utiliteitsbouw, a knowledge centre is being established to provide assistance to the various operating companies in LCC analyses, for example for public-private partnerships and DBFMO projects. This will enable BAM to take the pressure off clients by offering a full service of construction, management and maintenance. By involving market parties at an early stage, it is possible to bring the necessary expertise into a project, extend the life cycle of the building, improve performance and reduce total life-cycle costs.

‘We attach a great deal of importance to maintaining a continuous dialogue with our clients. We listen to them and learn from them so that we can offer solutions that they actually want and need.’

Marco de Rooij, director BAM Infratechniek bv
BAM Business Principle 2

Society

BAM works actively to promote good contacts with local residents. The nature of the Group’s activities means that it has a direct effect on the local environment and community residents. BAM adopts a proactive approach to ensuring that these activities cause as little inconvenience as possible. BAM demonstrates its commitment and supports initiatives and projects in the local community in order to promote and achieve good neighbourliness.

Results for 2009

- Joint initiator of the Conscious Constructors organisation in the Netherlands.
- BAM 40 fund: €140,000 donated to 140 charitable organisations proposed by BAM employees.
- Community engagement manager appointed in the United Kingdom.

Objectives for 2010

- Implementation of the Conscious Constructors Hallmark for construction sites and approval of construction sites by independent monitors;
- Further development of a wide-ranging and comprehensive community engagement policy.
BAM 140 Sponsorship Campaign

BAM celebrated the 140th anniversary of its foundation in 2009. To mark the anniversary, the BAM 140 sponsorship campaign was organised. Every BAM employee was given the opportunity to put forward an association, foundation or charity of their choice to qualify for a one-off donation of €1000. From the thousands of entries, 140 organisations were selected in a process supervised by civil-law notaries. These include a large number of cultural, educational and charitable institutions both in and beyond the European countries in which the Group operates. One of the organisations receiving support was the Dutch therapeutic childcare centre Het Veer in Sint-Niklaas. The organisation focuses on offering educational and therapeutic support to disabled pre-school children and spends its money on the purchase of teaching materials specifically designed to test motor skills.

The BAM 140 donations have also reached a range of different development projects in Africa, South America and elsewhere. Stichting Rondom Baba is a charity based in Mali that provides assistance to the poorest people in a village close to the city of Mopti. The charity is contributing towards the realisation of a school and a medical centre.

BAM Woningbouw Participation Machine

BAM Woningbouw is focusing on delivering a concrete and permanent contribution to improving quality of life in redevelopment areas. This involves participating in local neighbourhood initiatives, a project-based approach to inner-city improvement that involves working with housing corporations, municipal authorities and civil society organisations. In concrete terms, this means that all the interested parties, including community residents, housing corporations, businesses and municipal authorities are involved from the outset in developing the design and schedule of requirements to prepare the project. As well as increasing involvement and public support, this also ensures that the final result reflects the wishes of the local community. During the construction and maintenance of homes in the community, local unemployed residents can gain valuable work experience on special work training placements in order to improve their skills. In this way, BAM Woningbouw aims to stimulate the local economy, promote employment and increase the educational prospects of residents.

Examples of participation in local neighbourhood initiatives include: purchasing construction site requisites (catering, coffee and minor materials) in the local area and deploying local jobseekers for maintenance, cleaning, security and logistics on the construction site. In a pilot project conducted in Amersfoort in 2009, deprived youngsters worked with BAM Woningbouw on the construction of their own accommodation, thereby improving their future prospects and pride in their local environment.

BAM plays a pivotal role in society. The organisation strives to make a sustainable contribution to society. In view of the nature of the Group’s operations, BAM acknowledges that it inevitably has a major impact on the community. The operating companies aim to realise projects with minimum inconvenience to the local environment whilst still achieving the highest possible quality. BAM’s understanding of its responsibility towards society can be seen from the many social, cultural, sporting and educational projects that the Group engages in or supports every year.

BAM Construct UK Community Engagement Manager

In 2009, BAM Construct UK appointed Kate Wilcox as community engagement manager, a new position specially created to develop community engagement strategy. The aim is to improve engagement with the local community where the organisation is working.

‘In the United Kingdom, we do much more than simply constructing quality buildings. Our work also involves caring for the people and the local community we are working in,’ explains Wilcox. ‘Clients are looking for added value and partnerships that not only build projects, but also a good reputation.’ By appointing Wilcox, BAM Construct UK aims to develop a policy that cares for the local community without jeopardising the organisation’s interests. Evaluating initiatives is equally important as the initiatives themselves. ‘Until recently, there was no accurate method for measuring the impact of what we do. BAM Construct UK now uses the London Benchmarking Model, a framework designed to register and evaluate initiatives. The method has achieved worldwide recognition and enables us to attach a financial value to our efforts. This means that in the future we will be able to provide comprehensive and quantified reports about our contributions to charitable initiatives in terms of money, time and indirect resources.’

BAM 140 Sponsorship Campaign

BAM celebrated the 140th anniversary of its foundation in 2009. To mark the anniversary, the BAM 140 sponsorship campaign was organised. Every BAM employee was given the opportunity to put forward an association, foundation or charity of their choice to qualify for a one-off donation of €1000. From the thousands of entries, 140 organisations were selected in a process supervised by civil-law notaries. These include a large number of cultural, educational and charitable institutions both in and beyond the European countries in which the Group operates. One of the organisations receiving support was the Dutch therapeutic childcare centre Het Veer in Sint-Niklaas. The organisation focuses on offering educational and therapeutic support to disabled pre-school children and spends its money on the purchase of teaching materials specifically designed to test motor skills.

The BAM 140 donations have also reached a range of different development projects in Africa, South America and elsewhere. Stichting Rondom Baba is a charity based in Mali that provides assistance to the poorest people in a village close to the city of Mopti. The charity is contributing towards the realisation of a school and a medical centre.

BAM Woningbouw Participation Machine

BAM Woningbouw is focusing on delivering a concrete and permanent contribution to improving quality of life in redevelopment areas. This involves participating in local neighbourhood initiatives, a project-based approach to inner-city improvement that involves working with housing corporations, municipal authorities and civil society organisations. In concrete terms, this means that all the interested parties, including community residents, housing corporations, businesses and municipal authorities are involved from the outset in developing the design and schedule of requirements to prepare the project. As well as increasing involvement and public support, this also ensures that the final result reflects the wishes of the local community. During the construction and maintenance of homes in the community, local unemployed residents can gain valuable work experience on special work training placements in order to improve their skills. In this way, BAM Woningbouw aims to stimulate the local economy, promote employment and increase the educational prospects of residents.

Examples of participation in local neighbourhood initiatives include: purchasing construction site requisites (catering, coffee and minor materials) in the local area and deploying local jobseekers for maintenance, cleaning, security and logistics on the construction site. In a pilot project conducted in Amersfoort in 2009, deprived youngsters worked with BAM Woningbouw on the construction of their own accommodation, thereby improving their future prospects and pride in their local environment.

BAM plays a pivotal role in society. The organisation strives to make a sustainable contribution to society. In view of the nature of the Group’s operations, BAM acknowledges that it inevitably has a major impact on the community. The operating companies aim to realise projects with minimum inconvenience to the local environment whilst still achieving the highest possible quality. BAM’s understanding of its responsibility towards society can be seen from the many social, cultural, sporting and educational projects that the Group engages in or supports every year.

BAM Construct UK Community Engagement Manager

In 2009, BAM Construct UK appointed Kate Wilcox as community engagement manager, a new position specially created to develop community engagement strategy. The aim is to improve engagement with the local community where the organisation is working.

‘In the United Kingdom, we do much more than simply constructing quality buildings. Our work also involves caring for the people and the local community we are working in,’ explains Wilcox. ‘Clients are looking for added value and partnerships that not only build projects, but also a good reputation.’ By appointing Wilcox, BAM Construct UK aims to develop a policy that cares for the local community without jeopardising the organisation’s interests. Evaluating initiatives is equally important as the initiatives themselves. ‘Until recently, there was no accurate method for measuring the impact of what we do. BAM Construct UK now uses the London Benchmarking Model, a framework designed to register and evaluate initiatives. The method has achieved worldwide recognition and enables us to attach a financial value to our efforts. This means that in the future we will be able to provide comprehensive and quantified reports about our contributions to charitable initiatives in terms of money, time and indirect resources.’
Habitat for Humanity

In Ghana, BAM Woningbouw is contributing towards the construction of proper, safe accommodation for families. In alliance with Habitat for Humanity, BAM organises an annual construction expedition to this African country. In the course of the last three years, BAM Woningbouw has worked on the construction of fifteen homes in the village of Kyekyewere.

Habitat for Humanity aims to combat poverty in a way that is both sustainable and long-term. As a result, even after a community has stopped receiving support, it is able to continue independently. ‘Sustainable’ also means that there is no significant impact on the environment; natural resources are used to create a healthy living environment. See www.habitat.nl.

King’s Cross Business Action Group

BAM Construct UK and BAM Nuttall are two of the four major construction companies working on the major King’s Cross Central redevelopment in the heart of London. As testament to their corporate social responsibility, both companies are members of the King’s Cross Business Action Group (KXBAG), an alliance of companies involved in the project who have joined forces in order to maximise their positive impact on the local community.

BAM heads up the KXBAG employment programme and in March 2009 organised a local job market in alliance with the prestigious Camden Working (CW) employment programme. For this, BAM Construct UK set up the ‘Ready, Steady, Work’ pilot project to raise awareness of the various employment possibilities available in the construction and property sector. The job market also offered local jobseekers the chance to receive practical support in applying for jobs. Five KXBAG partners devised a recruitment campaign for entry-level positions in construction (BAM Construct UK), the use of construction materials (BAM Nuttall), IT, administration, as well as marketing and communication. Visitors were invited to submit their CV to qualify for one of these positions. The five best candidates in each of the five positions were invited to take part in a job application training course. In the end, one candidate was offered a job in each discipline.

Stichting Gered Gereedschap Parkstad Limburg

BAM Civiel seconds employees on long-term sick leave to work for specific periods at Stichting Gered Gereedschap Parkstad Limburg, an organisation that repairs old tools and equipment for use in education projects in Africa. The organisation employs volunteers, many of whom have for one reason or another been excluded from the employment market, including refugees, people with a disability and the retired. Based in a workshop in the Dutch town of Heerlen, they breathe new life into old equipment and train apprentices from the local vocational college.

Conscious Constructors

Inspired by the Considerate Construction Scheme (CCS) in the UK, the Conscious Constructors (Bewuste Bouwers) organisation was established in the Netherlands. Conscious Constructors is an independent organisation initiated by the Dutch construction companies Ballast Nedam, Strukton, Volker Wessels and Royal BAM Group.

In 2010, Conscious Constructors will begin awarding a hallmark to construction sites. An assessment by an independent monitor will reveal whether a construction site takes account of the local community, treats its employees with respect and focuses on safety. The hallmark fosters good communication with the local community and highlights professionalism on building sites. When tendering for a project, clients can insist that the construction site be registered with Conscious Constructors.

The average CCS score for BAM Construct UK and BAM Nuttall is higher than the average CCS score for the British construction sector. BAM Nuttall wants to increase the number of sites registered under the CCS system to 80 percent of its own sites.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAM Construct UK</td>
<td>96.4</td>
<td>98.7</td>
<td>98.7</td>
</tr>
<tr>
<td>BAM Nuttall</td>
<td>26.5</td>
<td>54.3</td>
<td>49.2</td>
</tr>
<tr>
<td>Average CCS score</td>
<td>34.0</td>
<td>34.9</td>
<td>35.0</td>
</tr>
<tr>
<td>Average construction industry score</td>
<td>31.0</td>
<td>31.4</td>
<td>31.9</td>
</tr>
</tbody>
</table>
BAM employees in the United Kingdom and the Netherlands take part in dragon boat races to support good causes.

**BAM Civiel management become volunteers**

In March 2009, members of the BAM Civiel management, armed with spade and secateurs, went to work for the Luchtballon charity in Calven/Ossendrecht (NL). Stichting de Luchtballon, whose name means hot air balloon, organises holiday camps for disabled children. Their location can also be used by other organisations working with children with autism, cancer, ADHD and with war victims. The work done by the management included pruning or removing shrubs, felling trees, chopping wood and planting new trees and plants. BAM Civiel plans to continue offering financial support to the Luchtballon for the next three years.

**BAM Construct UK supports CRASH**

BAM Construct UK is proud to contribute to the community through its patronship of CRASH, the charity for the homeless supported by the construction and property sector in the United Kingdom. BAM employees organise a range of initiatives to support CRASH including sponsored walks, dragon boat races, barbecues and so on.

**Involving local residents via information centres**

Interbuild, BAM’s non-residential construction company in Flanders and Brussels, often works on major non-residential construction projects in an urban setting. The company is conscious of the impact its project sites have on the local community and on society-at-large. Willy Tahon, deputy director of Interbuild, outlines the measures his organisation takes to reduce inconvenience to a minimum: ‘We understand the impact of projects on local residents and the immediate environment and aim to ensure that any project is achieved with minimum disruption to the local community whilst maintaining quality. Wherever possible, we engage the local community in dialogue and try to involve them in the project, partly by the setting up of public information centres. These information centres explain the construction process and provide information about the project, often in the form of a scale model. Local residents can follow the project’s progress and ask questions. For example, for the newbuild projects at the Palace of Justice and the Museum Aan de Stroom (MAS) in Antwerp, Interbuild installed a public information centre in collaboration with the client. Both initiatives were highly successful and as well as involving local residents also featured an educational component in the form of school and group visits.’

**Red Nose Day**

To mark Red Nose Day, Richard Bailey, Director of BAM Construct UK, cycled to work in BAM overalls, wearing a clown’s nose. He managed to raise €1500 for Comic Relief, a charity working to achieve a world without inequality or poverty and the brains behind Red Nose Day. BAM Construct UK and BAM Nuttall both took part in this annual British charity initiative. The slogan for Red Nose Day 2009 was ‘Do something funny for money’.

**Reputation for sustainability**

BAM Vastgoed and AM, two BAM property companies which merged to form AM on 1 January 2010, were both ranked among the top five property companies with the best reputation for sustainability in 2009. The awards were organised by Vastgoedjournaal, a leading Dutch property magazine.

Wayss & Freytag Ingenieurbau specialises in tunnel construction. Major tunnel drilling projects in particular can have a far-reaching impact on the environment and on the local area during the implementation phase. For these projects, large machines are deployed, specific construction sites developed and the population of a nearby village can double during the implementation of the project. For this reason, W&F Ingenieurbau sets up information centres, holds public open days and arranges meetings with local representatives to improve relations with the local community. W&F employees work in close collaboration with local emergency services such as the fire brigade and often even share equipment and knowledge.

**BAM employees in the United Kingdom and the Netherlands take part in dragon boat races to support good causes.**
BAM Business Principle 3a

Safety

BAM sees health and safety as its number one priority. The company is committed to the continual improvement and maintenance of its performance on health and safety for all its employees and everyone involved, including the general public.

Results for 2009

- Re-evaluation of the Health and Safety Management Guideline;
- Rising trend in the SAA score continued in 2009.

Objectives for 2010

- Organise a safety day across the entire Group for BAM employees and supply chain partners.
- Improve the safety results of operating companies with a below-average SAA and an above-average IF.
Vision

The will to excel in all aspects of health and safety is an integral part of BAM’s aim to rank among the most successful companies. This means that Royal BAM Group’s policy focuses not only on meeting the statutory requirements in all the work it does but also on:
- preventing all forms of personal injury and damage to people’s health;
- fulfilling the requirements, wishes and expectations of its clients;
- preventing environmental impact and damage to its own or others’ property;
- ensuring that company processes are effectively managed and continually improved.

Health and Safety Management Guideline

In 2009, BAM’s Executive Board reassessed the Health and Safety Management Guideline in order to ensure that it is fully comprehensive and can be effectively applied within the Group. The guideline has been published in four languages on the BAM intranet. The BAM guideline provides the management teams of the operating companies with a concrete guide for limiting risks to safety and health for their own employees and those of subcontractors and third parties. The guideline is based on the international safety management standard OHSAS 18001 and has been adapted in line with the specific risks involved in working in the construction sector. Compliance with the guideline is investigated annually by means of an internal audit programme, the Safety Awareness Audit (SAA). The BAM SAA is an evaluation system that systematically analyses the safety performance of the operating companies to determine the degree of control by the management and the quality of that control. The assessment not only shows whether the Safety Management Guideline is being followed, but also the extent to which the safety culture is continuing to evolve. In order to achieve visibility, high levels of safety awareness are assigned a positive value. The results of this SAA reveal a steady increase in safety awareness among staff in the operating companies.

Humanware

An analysis of accidents and inspection and audit results has revealed that a large proportion of work-related accidents are not caused by the materials, machines and equipment (the hardware component) used in the work. In addition, the procedures and working regulations (software component) are almost always fully available and sufficient. Behavioural factors (the humanware component) are increasingly being shown to be the decisive element in accidents. Sometimes this is the result of a failure to follow the rules, but often it involves an ill-considered action or an underestimation of the risks on the part of production staff and their supervisors. These are systematically addressed in all education and training courses.

Results

In 2009 no BAM employees died as a result of an accident at work. Sadly seven employees working for BAM’s construction partners and subcontractors had fatal accidents. One passer-by was killed when a subcontractor’s truck was leaving one of BAM’s construction sites. In the year under review, 62 BAM employees and 118 staff working for construction partners and subcontractors suffered serious injury as a result of industrial accidents.

As well as recording the absolute numbers of industrial accidents, BAM also calculates the relationship between accidents and the number of hours worked by determining the incidents factor (IF), which is the number of industrial accidents per million construction site hours. BAM’s IF relates to the number of hours worked on construction sites and elsewhere. For this, BAM applies its own definition because there is currently no harmonisation in the countries in which BAM operates, making effective comparison difficult. In cases where national or industry-wide statistics are available, BAM achieves a substantially better result (approximately 50 percent) than the overall average. It continues to be a challenge for BAM companies currently underperforming compared to other business units to achieve improvements.

Specialised subcontractors and joint-venture partners are increasingly being deployed on construction sites. In 2009, BAM started calculating incident factors for subcontractors, using the same definition applied for BAM employees. In 2010, the reliability of the calculations relating to the recording of incidents and the number of hours worked will be further improved in order to ensure that the IF represents a reliable indication of performance in terms of safety.

Action taken

In 2009, the Executive Board consulted with the management of the operating companies in order to establish a series of areas for improvement to be applied across the whole of BAM in 2010:
- Safety will become a fixed component of all training courses offered by the BAM Business School and the BAM Professional School.
- Every issue of company magazines will include a feature devoted to improving safety.
- A special safety day will be held across the whole of BAM during European safety week in the autumn of 2010.
When the construction process is in order, safety comes automatically

As corporate safety officer, Ger Bosch is responsible for health and safety policy within the Group and reports directly to the Executive Board. ‘The accident figures show that our operating companies in the various countries are not performing badly compared to others in the industry. But this is no reason to be complacent. Every incident is one incident too many’, says Bosch. ‘As a sector, we still have a lot of progress to make and BAM feels that it is its duty to take the initiative in making construction safer. Our aim is to ensure that our employees and those of our subcontractors arrive home safely at the end of each day. We also need to keep any disruption to the immediate environment to an absolute minimum. Our focus on safety must go beyond the boundaries of the construction site. Construction site safety has for a long time been about much more than effective personal protective equipment. The answer to this problem lies not in the introduction of additional rules but in raising people’s awareness. Effective safety is in everyone’s interest. A proper construction process is an essential ingredient in this’, says Bosch. ‘Ensuring safe working conditions partly comes down to internal measures: devising a detailed design, determining the right working methods and making effective preparations for the work, including logistics. Our motto is that when the construction process is in order, safety comes automatically. It is essential that construction site workers are aware of their responsibility for their own safety and that of their colleagues. Safe conduct must come naturally. The idea that ‘it will never happen to me’ is simply asking for trouble. The chilling accident statistics speak for themselves.’

The answer lies in raising awareness, among BAM employees and those of its subcontractors. ‘More than ever before, BAM is deploying a range of methods to increase safety awareness among our own people, but also the staff of other companies working on construction sites. The BAM Prevention Unit is an example of this. Inspired by the example of the induction rooms that BAM’s British operating companies have been using for some time, these units are now being deployed in increasing numbers of projects. The BAM Business School and the BAM Professional School both have a significant role to play in this process. Safety is becoming a permanent fixture in the training programme.’

‘Beyond Zero: a vision of the future in which accidents have been eradicated, workers’ health improved and the environment enhanced.’

(Action taken: continued)

• A group-wide motto will be introduced to support efforts across BAM to increase safety awareness.
• On large construction sites all employees will be issued with project-specific safety instructions before being allowed access to the site. On large construction sites, this will be achieved by means of the BAM Prevention Unit and a modified form of this will be applied on smaller construction sites.
Innovations in safety

BAM aims to continually improve working conditions for its employees. When offering new products, BAM Materieel, responsible for the development and management of construction site equipment, always focuses on the health and safety of users. By applying effective vacuum removal, BAM Materieel has made a contribution to reducing silica dust and helped create a cleaner working environment for employees. This has also helped prevent unnecessary pollution of the environment by damaging silica dust.

In the last year, BAM Materieel has made major progress in evaluating the total formwork package in order to guarantee safe floor edging. BAM Materieel is committed to using only materials which can be worked with safely. One example is the universal handrail support that can be used for any working method and with any suitable fixing medium. It can be deployed in any project making it much easier to ensure a safe workplace.

Vibratory rammers

BAM Infratechniek has introduced new vibratory rammers. Key advantages of this new equipment include reducing exhaust gas emissions, limiting hand/arm vibrations and decreasing noise. This reduction in exhaust gases and noise is largely achieved by the use of modern four-stroke engines and acylate benzene.

The significant reduction in hand/arm vibrations, a major cause of hand arm vibration syndrome (HAVS), has been achieved by a combination of optimum weight and balance, the use of new rammers and alternative materials in the control bracket.

Beyond Zero

As part of the Beyond Zero safety programme, BAM Nuttall organised two workshops for 150 subcontractors and suppliers. The aim was to investigate the progress made by these partners in eliminating safety incidents and to evaluate their policy on health and safety. By sharing knowledge, improvements can be achieved across the board. During the workshops, members of management gave presentations about the Beyond Zero programme. Participants were given the opportunity to prove their commitment by signing the Beyond Zero programme. The feedback received from subcontractors and suppliers was extremely positive.

BAM Prevention Unit

In alliance with BAM Woningbouw, BAM Materieel developed the BAM Prevention Unit in order to reduce construction site accidents by providing effective safety instructions. The BAM Prevention Unit is also applied at the construction sites run by BAM Utiliteitsbouw, BAM Civiel, BAM Rail and Heiligers.

All persons accessing the construction site in order to do work must follow a compulsory project introduction. Their personal details are entered into the access control system along with a photograph and a copy of their ID. After viewing an introductory video and a video about the specific project, their knowledge is tested. If they pass the test, they are issued with a personal badge authorising access to the construction site. When using the card readers to sign in and out, it is possible to call up various reports, including an emergency list.
Wayss & Freytag Safety Day

Wayss & Freytag Ingenieurbau implements a number of initiatives to raise awareness of safety within the organisation. A prime example is the safety day held on the construction site at the Moorburg power station at the end of 2009. Led by safety experts and the construction team, around 100 staff from the construction consortium, subcontractors and other parties involved participated in a safety training course on the construction site. In a range of real-life scenarios, participants were familiarised with the safety aspects of scaffolding and electricity, fall prevention equipment and how to secure loads properly. They also practised using a stretcher - including in a tower crane - and fire extinguishing equipment.

In 2009, the central Netherlands region of Wayss & Freytag Ingenieurbau organised two safety days and a practical day in which office workers also took part. Approximately 60 participants completed a course made up of ten different real-life scenarios and were able to familiarise themselves with safe working methods and a range of tools. This approach has now also been adopted by other regions in view of the positive response from participants and the significant reduction in the number of accidents.

Safety training programme for subcontractors and suppliers

Bam Woningbouw’s safety policy, which includes a range of extensive health and safety plans, aims in part to increase safety awareness on construction sites. For everyone involved in work, there are rules on everything from the use of personal protective equipment to the application of and compliance with organisational measures. This therefore also applies to subcontractors. With this in mind, BAM Woningbouw has organised a number of special safety events for subcontractors’ management teams. These demonstrated that subcontractors can benefit from clear rules and strict compliance with these rules. Since the events were held, there has been increased vigilance in the use of personal protective equipment, in the prevention of dangerous situations and the clearing of construction sites has been improved.

As part of this process, BAM Woningbouw has informed the leading 300 subcontractors and suppliers in writing of its strict safety policy and highlighted the importance of safety at work. This included information on the safety measures applied by BAM Woningbouw:

- the wearing of personal protective equipment;
- all employees and visitors are issued safety instructions in the BAM Prevention Unit;
- staff training (sometimes also including subcontractors’ staff);
- the use of safe and inspected materials;
- the issuing of safety warnings and ensuring compliance with these;
- increasing safety awareness.
Safety meeting with subcontractors

In the year under review, Belgian operating company CEI-De Meyer organised an event for subcontractors designed to increase awareness of safety, quality management and environmental impact. Paul Depreter, director-general of CEI-De Meyer, introduced the event: 'The main aim of these events is to foster an increased awareness of sustainable business operations among our subcontractors. Safety is a key factor in this, but the quality and environmental impact of our projects are also addressed. These meetings also help improve our professional relationship with subcontractors. We therefore plan to make these meetings an annual event', says Depreter.

BAM on the Move

Under the motto BAM on the Move, the Central Works Council (COR) has proposed a new initiative that aims to improve employees’ health. The proposal is based on the scheme agreed by BAM Utiliteitsbouw with Bedrijfsfitness Nederland, a sport and health organisation that operates nationwide. Its National Corporate Fitness Plan (Nationaal Bedrijfsfitness Plan) provides access to fitness and power training under the supervision of experts. Thanks to the company’s involvement, every employee is entitled to a tax credit and an employer’s contribution of five euros per month. The aims is to improve employees’ health.
BAM Business Principle 3c

Diversity

Royal BAM Group aims to provide a challenging working environment in which all individuals feel valued and respected. BAM is committed to the principle of equal opportunities and ensures that job applicants and employees do not face discrimination on the grounds of gender, marital status, race, skin colour, ethnic origin, religious belief, sexual orientation, disability or age.

Results for 2009

- Start of workshops on Diversity and Inclusive Leadership top down.

Objectives for 2010

- Introduction of KPIs and objectives, namely at least 15 percent recruitment of female staff and a maximum of 5 percent of people leaving the company to be female staff.
BAM aims to increase diversity within the organisation. A diverse employee base provides assurance that the organisation can effectively identify with the wishes and expectations of its clients and society-at-large. Diversity also strengthens the company’s position as the employer of choice. For this reason, BAM applies an active diversity policy which focuses specifically on increasing the number of women within the organisation. BAM operates in a sector in which women have traditionally been very much in the minority and have had few opportunities for promotion to senior positions. For BAM, the challenge is to attract more women to the company and to stimulate their promotion within the company.

Workshops in diversity and leadership

In 2009, more than 200 managers (members of the Executive Board, operating company directors, regional directors and departmental directors) took part in the Diversity and Inclusive Leadership workshop. This workshop aims to raise participants’ awareness of the aspects of corporate culture that can influence women’s recruitment and their promotion to senior positions. The diversity and leadership workshops proved especially valuable for participants because they made it clear what effect diversity can have on working relationships and the careers of female staff and highlighted how participants respond (often unconsciously) in situations within the working environment relating to men’s/women’s issues. The workshops are part of the BAM Business School’s Diversity Programme. The programme also includes the Female Empowerment Programme, BAM Circles and the Diversity Tools workshop. The BAM Female Empowerment Programme is designed to boost the promotion of female employees to senior positions and combines presentations, assignments, real-life case histories and exercises with trainers/actors. BAM Circles is a mentoring and peer-review programme involving discussions between women and senior management of experiences and ideas relating to the dual career planning, leadership and home/work balance. The Diversity Tools workshop consists of two parts: the Visibility workshop and the Diversity, Ambition and Career workshop. Visibility is about increasing one’s personal profile and visibility and teaches women how to raise their profile in meetings, presentations and one-to-one contact with supervisors, clients and colleagues. The second workshop focuses on psychological mechanisms, insights and practical experiences relating to the impact of diversity on people’s ambitions and careers.

New diversity policy at BAM Nuttall

In August 2009, BAM Nuttall launched a new equality and diversity policy. The policy was developed by a committee led by director Bob Treadgold, who was previously named ‘Diversity and Inclusion Champion’ within the civil engineering company. The committee was also supported by external consultants. Treadgold: ‘Understanding the true significance and impact of diversity and equality can take some time, but the message we aim to convey is pretty straightforward. If we really want to deliver excellence in terms of performance and products, we need to work closely with our client’s project team, both men and women. It is also important to have a good feel for what our client actually wants and this can only be achieved if we create teams that include a wide variety in terms of talent, life experiences and viewpoints.

‘The Diversity and Leadership workshop enabled management to become acquainted with this theme in a short space of time.’

Joop van Oosten, Chairman of the Executive Board

Workshop Diversity and Leadership.

Bob Treadgold, Director BAM Nuttall.
Ambassadors’ network

The year under review saw the launch of the Ambassadors’ Network for Construction (Ambassadeursnetwerk voor de Bouw). Twelve leading figures from various sectors of the construction industry, including Executive Board member Rob van Wingerden, are spending a year working to attract women to the construction industry and to boost the promotion of women to higher and senior management positions. Their efforts will include a series of concrete measures, both within their own organisations and beyond. Examples include the appointment of women in middle and senior management positions, the development of a business case to demonstrate that the presence of women can increase the quality of the organisation, career support for women and having women act as clear role models within the sector. The network is an initiative of Construction Network (Bouwnetwerk) and the former Building Management Board (Regieraad Bouw).

The network’s point of departure is that increased diversity in terms of personnel and a better balance between men and women within management is of crucial importance for any sector, including the construction industry. Experience from other sectors has shown that when people of differing backgrounds and competencies work together, this can accelerate the introduction of essential innovations. Executive Board Chairman Joop van Oosten: ‘Increased transparency and improved collaboration are examples of the types of innovation we would like to see in the construction sector. I am convinced that we need more women in middle and senior management positions if we are to achieve that.’

Female Capital Trophy

Female Capital BAM, the women’s network in the Netherlands, has presented an award for the first time to a member of BAM staff who has demonstrated commitment to increased male/female diversity within the Group. In 2009, the Female Capital Trophy was awarded to Arjan van Asselt, financial director of Heilijgers in Amersfoort. In the opinion of the Female Capital BAM committee, Mr Van Asselt has played an exemplary role in his efforts to achieve increased flexibility in conditions of employment. This is completely in line with the desire for increased numbers of women in senior management positions.

The FC BAM network is aimed at ambitious women who understand the value of networking and sharing support and advice in the predominantly masculine corporate culture in which they work. The network aims to help improve the performance of the entire BAM organisation by achieving a better balance between men and women and focuses on improving BAM’s profile as an attractive employer within the employment market, not only for men but also for women.

Being able to identify with our clients and take account of different perceptions can only improve the products and services we provide. Diversity and equality are important not only for ethical reasons, but also make good business sense.’

In order to create the equality and diversity policy, BAM Nuttall developed an implementation plan featuring thirty targets, ranging from awareness-raising to the introduction of new staff development projects. More than 550 employees were trained in diversity awareness and a toolbox meeting plan was developed for construction site workers.

In practice

Female Capital Trophy

Female Capital BAM, the women’s network in the Netherlands, has presented an award for the first time to a member of BAM staff who has demonstrated commitment to increased male/female diversity within the Group. In 2009, the Female Capital Trophy was awarded to Arjan van Asselt, financial director of Heilijgers in Amersfoort. In the opinion of the Female Capital BAM committee, Mr Van Asselt has played an exemplary role in his efforts to achieve increased flexibility in conditions of employment. This is completely in line with the desire for increased numbers of women in senior management positions.

The FC BAM network is aimed at ambitious women who understand the value of networking and sharing support and advice in the predominantly masculine corporate culture in which they work. The network aims to help improve the performance of the entire BAM organisation by achieving a better balance between men and women and focuses on improving BAM’s profile as an attractive employer within the employment market, not only for men but also for women.

In practice
CEI-De Meyer’s corporate organisation is made up of about 30 percent women. This percentage means that the Belgian operating company scores well in terms of gender diversity. Director-general Paul Depreter: ‘Our industry is known for being relatively difficult for women to access, so we are proud to have so many women in our organisation.’

<table>
<thead>
<tr>
<th>Graph 4</th>
<th>Number of employees (FTEs) at the end of 2009 by home country (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Netherlands</td>
</tr>
<tr>
<td>47%</td>
<td>21%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 4 Diversity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Netherlands 2009</strong></td>
</tr>
<tr>
<td>Function group</td>
</tr>
<tr>
<td>Operational staff (85%)</td>
</tr>
<tr>
<td>Middle management (13%)</td>
</tr>
<tr>
<td>Senior management (2%)</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Change in gender group</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>United Kingdom 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Function group</td>
</tr>
<tr>
<td>Operational staff (88%)</td>
</tr>
<tr>
<td>Middle management (11%)</td>
</tr>
<tr>
<td>Senior management (1%)</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Change in gender group</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Germany 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Function group</td>
</tr>
<tr>
<td>Operational staff (80%)</td>
</tr>
<tr>
<td>Middle management (12%)</td>
</tr>
<tr>
<td>Senior management (8%)</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Change in gender group</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Graph 5</th>
<th>Distribution of full-time and part-time BAM staff (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Full time</td>
</tr>
<tr>
<td>91%</td>
<td>9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Graph 6</th>
<th>Diversity at BAM (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
</tr>
<tr>
<td>85%</td>
<td>15%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Graph 7</th>
<th>Distribution of BAM staff age (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20-29</td>
</tr>
<tr>
<td>2008</td>
<td>7%</td>
</tr>
<tr>
<td>2009</td>
<td>7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Graph 8</th>
<th>Staff numbers (FTEs) at the end of the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>29,000</td>
</tr>
<tr>
<td>2008</td>
<td>27,578</td>
</tr>
<tr>
<td>2009</td>
<td>29,050</td>
</tr>
</tbody>
</table>
Royal BAM Group aims to create a learning culture for its staff and to enable them to fully utilise their knowledge and skills in the service of the company. BAM will also offer its employees support in improving their skills in order to achieve their career and development ambitions.

Results for 2009

- Establishment of BAM Professional School.

Objectives for 2010

- Inclusion of corporate social responsibility in training courses.
- Greater focus on developing the commercial skills of BAM employees.
Construction is all about building for people. The qualities of our employees are instrumental in determining the quality of the Group’s projects and thereby also our market position and returns. BAM aims to be the employer of choice in the construction sector and therefore places great emphasis on improving the skills of its employees through training and development. The company’s initiatives in this area take various forms:
• collaboration with university chairs;
• the deployment of career support tools such as the BAM Career Navigator and
• investment in company training centres, including BAM Professional School (BAM Vakschool, which opened in 2009) and BAM Business School.
In addition to these BAM-wide initiatives, specific training courses are also organised in the various operating companies. For example, Belgian non-residential construction company Interbuild offers the highly-regarded course in Managing Major Construction Projects (Beheer van grote bouwprojecten) in collaboration with the Free University of Brussels (VUB). Employees can also take language courses.
Willy Tahon, the deputy director of Interbuild: ‘Belgium is the only one of the five BAM home countries with a multilingual population. In order to offer the very best services and ensure that we communicate clearly with clients, subcontractors and suppliers, we expect our employees to be flexible when it comes to the use of languages. We regularly organise intensive language courses to try to equip our staff for a successful career in a multilingual country.’

**BAM Business School**

BAM Business School is the Royal BAM Group’s internal training institute, responsible for knowledge transfer, exchange and development. Its training programme is characterised by courses specifically designed for BAM, taught by both internal and external lecturers. The courses are designed to promote synergy between business units and focus extensively on partnerships between the different disciplines.

**Mastering management training**

Together with the Waterford Institute of Technology, Irish operating company BAM Contractors organises a Master’s programme (MSc) in construction project management. In 2009, the Irish Institute for Training and Development (IITD) selected both organisations for a leading award in recognition of the outstanding level achieved in the Construction Project Management programme. David Crowe, training and development manager at BAM Contractors: ‘The feedback from staff who have taken the course has, without exception, been highly positive. We believe that the course has helped secure BAM Contractors its position in the top fifty best employers in Ireland.’ Every year, IITD presents awards to organisations who have demonstrated their commitment to staff development and training.

In order to secure further improvements in the approximately seventy courses currently on offer, a series of targets were set for 2010. Head of BAM Business School, Tim Welling: ‘The BBS has set itself three targets: to improve training results by embedding the training courses in the workplace, to guarantee quality by setting high-quality standards within the courses and finally to simplify and improve the professionalism of the registration process. This means that we can guarantee BAM employees a selection of high quality education and training courses and also raise BAM’s profile as an attractive employer.’

In the year under review, BAM was included in the top twenty most attractive employers among graduates and also featured in the top three favourite employers for graduates of senior secondary vocational courses (MBO) in Technology. This rating is based on a survey carried out by Memory Magazine Arbeidsmarkt among more than two thousand new entrants to the employment market.
In the United Kingdom, BAM Construct UK featured in the Sunday Times’ “Top 100 Best Companies to Work For”.

---

**Graph 9**  
**BAM Business School participant numbers**

**Graph 10**  
**Average number of hours spent on training per employee by home country**

**Graph 11**  
**Average training expenditure (€) per employee by home country**

* excluding subsidies or compensation for time lost.
What is the BAM Career Navigator?

The BAM Career Navigator is a series of tests, the results of which provide every member of staff with information on their own personal development potential. The BAM Career Navigator also identifies the most suitable career track (project management, design management and so on). For each career track, the Group’s Human Resources department has drawn up success profiles based on extensive internal research. Individuals can use these profiles and the results from the various components of the BAM Career Navigator to plan their future development within the company.

BAM Professional School

The establishment of the BAM Professional School in 2009 is part of BAM’s response to the increasing demand for professional technical qualifications that reflect the needs of the organisation. The courses aim to improve the professionalism of construction site workers and safeguard knowledge and experience. The close co-operation between the operating companies, BAM Professional School and the training institute Bouwradius Training & Advies has resulted in targeted courses with a high quality content. BAM Professional School provides a customised service in the form of courses that have been especially designed for BAM. The wide range of courses and modules guarantee all-round professional training and the courses are regularly updated to reflect the latest developments. When a participant passes a course, this is recorded on a digital training pass.

In 2009 almost 900 employees from BAM Utiliteitsbouw and BAM Woningbouw attended a course at BAM Professional School. The most popular courses were Company Emergency Response, Hoist Supervisor and Scaffolding.

Sharing knowledge

Education and development is about more than just training and courses. It also encompasses the exchange of knowledge and sharing of best practices. BAM is made up of operating companies in several companies and sectors whose combined knowledge is substantial. Thomas Paetzold, director of the German operating company Wayss & Freytag
Ingenieurbau and head of the Environmental Committee of the German Construction Industry, has no doubts about the benefits and necessity of sharing knowledge.

Paetzold: ‘Generally speaking, corporate social responsibility is not high on the strategic agenda of construction companies in Germany. The German market is currently primarily price-driven and very few government initiatives focus on aspects of sustainability. As part of Royal BAM Group, Wayss & Freytag Ingenieurbau has been encouraged to report on sustainability indicators such as energy consumption and waste management. This has raised awareness of the issues among both management and staff.’

Paetzold provides another example of the advantages of scale offered by BAM: ‘The Group can afford to invest in research and development. The sharing of this knowledge between the different international operating companies gives each company an advantage in its home market.’

In the United Kingdom, BAM Construct UK featured in the Sunday Times’ ‘Top 100 Best Companies to Work For’.

**Innovation campaign for TU Delft**

At the end of 2009, BAM joined forces with 25 parties from government, business and knowledge institutes to sign a covenant for an innovation campaign for TU Delft’s faculty of Civil Engineering and Geosciences (CEG). The aim is to create a stronger link between education and research and social issues relating to delta technology, construction and infrastructure and transport. To fund the innovation campaign, the parties have provided €13 million over a five-year period. Everyone involved is convinced of the need to continue to work towards solutions to urgent issues relating to quality of life and safety in our low-lying deltas, sustainable infrastructure and mobility. In the first months of 2010, the covenant will be developed into a university agenda for each research theme.

**Heilijgers: Green euros awarded to most sustainable employee**

In order to raise awareness of sustainability, BAM operating company Heilijgers decided to award an annual green prize to the employee who has made most efforts towards achieving sustainability within the company over the previous year.

What makes this sustainability prize so special is that it is awarded in the form of green euros, alternative prizes such as membership of a nature organisation or a season ticket for public transport.

**AM organises Summer Academy**

In the year under review, BAM property development company AM organised the Summer Academy for the fourth consecutive year. The day features original and inspirational workshops designed to offer AM employees information on and training in recent developments in the world of construction and property. They also receive lessons in general business knowledge.

This year the programme included the following workshops: Naturally Sustainable, the Key to Success (Natuurlijk Duurzaam, leidraad voor succes) on the use of sustainable energy supplies in successful project development, The What Can I Do Show (Kan ik er wat aan doen-show) about integrity issues and dilemmas in the property world and Masterclass in Concept Development (Masterclass conceptontwikkeling) on improving creative thinking when devising and communicating technical plans.
BAM Business Principle 4

Environment

BAM aims to improve its environmental performance. The Group is trying to take all reasonable measures to ensure that its business activities are conducted in a way that the impact on the environment is kept to a minimum. BAM acknowledges its responsibility for the natural world and strives to minimise any negative impact.

Results for 2009

- Rollout of green fleet policy.

Objectives for 2010

- Launch the BAM Multi-Mobility Card pilot with 1,000 employees.
BAM’s green fleet policy

BAM continues to work on improving the sustainability of its fleet of vehicles and a number of measures were achieved in the year under review. For example, it was decided that only passenger vehicles with energy labels A, B and C will be used as lease cars. This standard has now been achieved for 85 percent of BAM’s Dutch vehicles. Henk Gerritse, BAM’s facility procurement manager, who was named Dutch fleet manager of the year in 2009, explains: ‘The new energy labels provide an indication of a vehicle’s fuel consumption and will help reduce the emission of exhaust gases such as CO₂. However, we expect that the next step will be to select vehicles based on their actual CO₂ emissions in grammes per kilometre driven.’

In addition, every driver is issued with a twice-yearly individual driving report that includes information on fuel consumption, inspections and the maintenance of the lease vehicle. This is intended to raise awareness even further.

During the year under review, BAM also made significant progress in implementing the BAM Multi-Mobility card in the Dutch operating companies. The pilot was expected to be launched during the year under review but is now scheduled to be finalised in 2010. The pilot will make it easier for employees to opt for alternatives to travelling by car and will also make it possible to pay for fuel and public transport with a single method of payment.

The development of electric vehicles is also being closely monitored. BAM is an active member of a Dutch consortium investigating the options for large-scale joint purchasing of electric company vehicles.

In the United Kingdom, BAM Nuttall and BAM Construct are working together on the further implementation of the green fleet. Important components of this policy will be a reduction in kilometers driven and further awareness raised among employees. In 2010, concrete measures will be taken to achieve this.
Driving skills training courses

In 2009 BAM Infratechniek introduced a driving skills course. The course is intended for all 1100 employees with a company vehicle and is provided by the Netherlands Road Safety Institute. The course will continue into 2010.

BAM Infratechniek workers work both on and alongside the road, bringing them into contact with traffic on a daily basis. Traffic safety is an important part of their everyday work. The operating company offers employees the course in order to increase their awareness of dangers on the road. The course alternates theory, for example traffic awareness, braking, roadside and avoidance techniques, with real-life scenarios on the test track. The course also includes aspects of eco-driving. Employees use their own company vehicle for the course which means it can also focus on effective and safe vehicle loading.

The key aim of the training course is to raise awareness.

Certified cradle to cradle consultants

BAM is directly involved in a number of developments designed to view business activities from a more environmental perspective. For example, Royal BAM Group is a member of the Rotterdam Sustainability Initiative (RSI), a non-profit organisation for training and research on cradle to cradle (C2C) issues. Tebodin, the Group’s engineering firm, has established a cradle to cradle project group which has translated the cradle to cradle concept to match the services offered by Tebodin. This has resulted in the development of the Cradle to Cradle Value Engineering Tool. Tebodin now has a total of sixteen certified consultants trained by Michael Braungart, one of the pioneers of the cradle to cradle principle.

Mariska van Dalen, project manager for all of Tebodin’s cradle to cradle initiatives, says: ‘In 2009 we secured nine projects in which we advise clients on this subject. Industrial clients are currently particularly cautious about new investments and hesitant when it comes to engaging in engineering projects. But if we highlight the cradle to cradle concept, we have noticed a much greater willingness to proceed. There is even a great deal of interest from new clients. In addition to providing assistance in product certification, Tebodin is also involved in devising strategy and translating ambitions into reality in C2C schedules of requirements. Our work also includes calculating the technical and economic feasibility of innovative concepts and highlighting cradle to cradle elements for area development projects.’

Cradle to cradle

Cradle to cradle is a new concept in sustainable design in which simply being ‘less damaging’ is no longer enough. At the end of their life cycle, it must be possible for products to be effectively re-used with no loss of quality. According to cradle to cradle, waste becomes a raw material in a never-ending cycle (waste = food).

The cradle to cradle principle is the brainchild of Michael Braungart and William McDonough. In their view, re-use must not result in lower-quality products (downcycling), but in better ones (upcycling). As a result, we will not only be catering to our own needs, but also increasing the options available to future generations.

World Environmental Day

On 5 June 2009, BAM Nuttall and BAM Construct took part in World Environment Day (WED), which this year was devoted to the theme of climate change and how to combat it. WED 2009 featured environmental quizzes, tree planting, visits to offices and construction sites by special energy consultants dubbed ‘energy doctors’, environment-related toolbox meetings and partnerships with local schools designed to raise environmental awareness. As part of the ongoing fight against climate change, BAM Construct became a member of the Prince’s May Day Network, which is a group of businesses and organisations in the United Kingdom that are jointly committed to reducing their impact on the climate.
A spherical buffer tank located on the car park behind the BAM offices in Bunnik is part of the cold storage system that BAM introduced in the early 1990s, making it one of the first companies in the Netherlands to cool its offices in the summer with cold water that was stored in the ground over the winter.
BAM Business Principle 5a

**BAM** acknowledges the importance of reducing energy consumption in the built-up environment in order to combat climate change. The Group is committed to improving the energy efficiency of its activities, products and services and regularly evaluates its performance in order to assess how its consumption of energy, transport and water can be reduced.

### Results for 2009

- Implementation of professional reporting system providing reliable information on the company’s carbon footprint.
- PCC tool made available publicly during BAM 2009 symposium.
- Green energy usage.

### Objectives for 2010

- Reduction in CO₂ emissions by 5 percent in 2010 compared to 2009, taking into account turnover and the types of business activities.
- Increased awareness among supply chain partners regarding the benefits and necessity of providing this kind of data.
Since 2006, BAM has organised symposia to stimulate discussion on issues relating to corporate social responsibility with clients and other construction partners. At the 2006 symposium, ten sustainability themes were presented which were later developed into business principles. One of these themes concerned energy consumption and its relationship to climate change. It was developed further during the 2008 symposium which focused on CO₂ emissions in the construction sector. That same event saw the launch of the BAM CO₂ desk – a website set up by BAM to offer parties in the construction sector advice and answers to their questions on reducing CO₂ emissions. The CO₂ desk was extended during the year under review to include an English-language version.

In 2009 the symposium Calculating CO₂ Emissions (Uitgerekkend CO₂-emissie) highlighted a method for calculating CO₂, especially in the procurement and implementation phase. Based on the assumption that there is already sufficient focus within the sector on CO₂ reduction in the consumption phase, BAM aims to shift the emphasis to achieving a reduction in CO₂ emissions during the procurement and implementation phases. The symposium introduced the Project Carbon Calculator (PCC), a tool for quantifying the reduction in CO₂ emissions in these phases. In this way, BAM aims to contribute to the development of a uniform calculation method that could become a permanent fixture in the specifications prescribed by government in its sustainable tendering programme to be introduced in 2010.

BAM is convinced that it will only be possible for the PCC to be successfully developed into a uniform calculation method if the construction sector can be persuaded of the efficiency of applying a single standard method. By sharing its knowledge and discussing issues with other parties in the construction process chain, BAM aims to play an exemplary role.

**What is the Project Carbon Calculator?**

Up to now, there has been a great deal of focus on reducing energy consumption and CO₂ emissions in the consumption phase for completed products, especially in the non-residential construction and civil engineering sector. BAM is also calling for attention to be paid to reducing CO₂ in the procurement and implementation phases, an area which is currently relatively uncharted territory. To work out the quantitative details of this, BAM has developed the Project Carbon Calculator (PCC). The PCC provides a practical tool designed to be used with supply chain partners to determine the possibilities for reducing CO₂ emissions in the procurement and implementation phases of a construction project. Developed in consultation with KPMG, the tool can be applied at any phase within a project. It can be used during design, tendering, implementation and maintenance to determine a construction project’s potential carbon footprint and the most efficient measures that can be taken to reduce it. It also increases understanding of the working processes within the construction project and their impact on CO₂ emissions.

The application of PCC in 28 different projects has shown that it is possible to achieve an average CO₂ reduction of about 8.1 percent. This has been the impetus to introduce the PCC on a permanent basis and to adopt a proactive approach to informing clients of the options for reducing CO₂ emissions. William van Niekerk, Chairman of the Board of BAM Infratechniek bv, says: ‘There is no doubt that there are various practical obstacles to achieving this dream, but we will be happy to overcome these in consultation with supply chain partners. We are convinced that this method has real potential for achieving a significant further reduction in CO₂ emissions.

We are calling on our clients to take account of CO₂ emissions during the tendering process and to challenge the market by enabling it play an innovative role in combating climate change. BAM is keen to share its experience and knowledge with the rest of the industry by making available the Project Carbon Calculator and setting up the associated interactive platform (www.wiki.bamco2desk.nl). This is prompted not only by corporate social responsibility, but also by the realisation that an effective response to the climate crisis will be instrumental in determining the company’s future.’

Responding effectively to the climate crisis will be instrumental in determining BAM’s future.
Royal BAM Group’s carbon footprint

Based on the energy consumption of all of the operating companies worldwide, Royal BAM Group’s carbon footprint as a result of direct and indirect CO₂ emissions from business activities was 277 kilotons of CO₂ in 2009.

**Distribution of CO₂ emissions over sectors and countries**

The construction and civil engineering sectors – which together provide 90 percent of BAM’s turnover – also generate 95 percent of the Group’s carbon footprint. The property sector is responsible for almost 10 percent of turnover but only adds one percent to the carbon footprint. CO₂ emissions in the other sectors are in line with their contribution to Group turnover. Civil engineering is the most energy-intensive sector.

CO₂ emissions across Royal BAM Group’s home countries in relation to turnover in those countries shows relatively high figures for Ireland and for international activities (i.e. projects outside the five home countries, which are mainly carried out by BAM International and Tebodin). The level of CO₂ emissions in Ireland is a result of the fact that most of the projects carried out there are in the energy-intensive civil engineering sector. The CO₂ emissions in the international activities mainly come from a number of special projects carried out by BAM International which are highly energy-intensive. The ratio is lower in the other home countries because of the mix of activities across the various sectors.

Half of BAM’s CO₂ emissions come from construction sites and especially the fuel used on those sites (red diesel in particular). The vehicle fleet accounts for approximately a third of BAM’s carbon footprint. Business use of private cars was included for the first time in the year under review. Asphalt plants are responsible for approximately 10 percent of total emissions. Emissions from air travel account for 2 percent of the total footprint.

**Financial reporting system expanded to include CSR platform**

During the year under review, BAM implemented a method of CSR reporting based on the financial reporting system. All the worldwide operating companies have been reporting on CSR issues using this reporting method since 2009. Applying the motto, ‘the numbers tell the tale’, a decision was made in 2008 to establish a high-level reporting system for the most important quantitative sustainability parameters. Operating companies issue quarterly reports on their energy consumption and waste management. Alongside safety, for which a thorough reporting system has been in place for many years, CO₂ reduction and waste management have been designated as key areas in BAM’s CSR policy. In accordance with the Greenhouse Gas Protocol (GHG) reporting on energy consumption includes information on fuel consumption, air travel, energy consumption in offices and on building sites (including asphalt companies). Waste reporting includes information on origin (excavation waste, demolition waste, construction waste and office waste) and destination (re-cycling, incineration and energy regeneration or dumping). All data must also include an indication of whether it has been measured, calculated or estimated. During the implementation of this internal reporting method...

**Carbon footprint in 2009 compared to 2008**

BAM implemented a new reporting system for energy consumption and CO₂ emissions in 2009, which resulted in a number of differences compared to the report for the previous year.

1. **Scope of the report**

   The 2008 report reviewed the carbon footprint for the operating companies in the Netherlands and the United Kingdom, whereas the 2009 report takes into account all of the operating companies across the entire BAM Group.

2. **Data collection method**

   The responsibility for the data used to calculate the carbon footprint lies with BAM’s operating companies from 2009 onwards, which makes the data collected more accurate and complete.

Regardless of the reporting system, the operating companies’ energy consumption per year also varies because of the number, size and nature of the projects carried out.

(*) The CO₂ emissions of property companies AM and Kaïros are estimates based on the BAM Vastgoed emissions and extrapolated in proportion to turnover.
system, which is intended to achieve a comprehensive and high quality information stream, BAM has become aware that this kind of high quality information is often insufficiently available from suppliers and partners. The Group has therefore set itself the goal of raising awareness of the benefits and necessity of providing this kind of data across the whole value chain by means of workshops and meetings with partners in the chain.

With the measures used to determine its carbon footprint, BAM now has a highly effective reporting tool for energy consumption. However, BAM still faces challenges in converting this energy consumption into CO₂ emissions. This is because several institutes and organisations across the world apply different conversion factors, which is hampering efforts to achieve uniformity. BAM will continue its research on this subject as well as its discussions with knowledge institutes.

**Amersfoort (NL) sustainability platform: city to be CO₂ neutral by 2020**

In collaboration with an external installation firm and the municipality of Amersfoort, BAM operating company Heilijgers has established a platform in which local construction and development companies can share knowledge and work together in an integrated fashion to develop ways to make Amersfoort into an energy-neutral city by 2020.

Utrecht University of Applied Sciences is also contributing towards the process of identifying the steps that will be necessary to achieve this.

**ProRail CO₂ performance ladder**

ProRail, the company responsible for managing the railway infrastructure in the Netherlands, has implemented its performance ladder to raise CO₂ awareness in the companies that participate in its tenders. With effect from 1 December 2009, this means that the more efforts a company makes in order to understand and reduce its carbon footprint, the higher it will rank on the performance ladder and the greater its chance of securing the contract (up to 10 percent).

Supply chain integration plays an important role: companies that wish to be certified for the highest step on the performance ladder must engage in dialogue with government and NGOs on their carbon footprint, develop initiatives to facilitate CO₂ reduction in the sector and set carbon footprint requirements for their main suppliers.

In the year under review, BAM Rail secured certification on the second-highest step (level 4) and has set itself the strategic objective of achieving the highest level of certification in 2010. BAM Civil and BAM Wegen have been awarded level 3 certification.

The following points should be noted in particular when comparing CO₂ emissions between 2009 and 2008:

- The carbon footprint of the Dutch operating companies increased to 106 kilotons of CO₂ (2008: 102 kilotons CO₂*).

  On the one hand, the indirect CO₂ emissions from the use of electricity in offices and industrial premises, on construction sites and in asphalt plants have decreased because BAM has purchased mainly green electricity. On the other hand, asphalt production and fuel consumption have increased, which has resulted in a net increase in the carbon footprint.

- The carbon footprint generated by the United Kingdom operating companies dropped from 75 kilotons in 2008 to 67 kilotons in 2009. This decrease is mainly due to the reduction in fuel consumption on construction sites, which is closely related to the type of work being carried out.

**Reducing the Group’s carbon footprint**

BAM has set itself the aim of reducing its carbon footprint by 5 percent in 2010 compared to 2009, taking into account turnover and assuming similar types of business activities.

Defining or predicting CO₂ emission trends is not easy in the sectors in which BAM operates. The Group’s core activities consist of often very different kinds of contract work. The extremely varied specifications and project parameters determine the level of the resulting CO₂ emissions to a large extent.

Nevertheless, BAM continues to do everything possible to reduce the CO₂ emissions from its business processes. With this aim in mind, BAM is in ongoing discussions with clients, subcontractors and suppliers regarding how to raise awareness and reduce emissions throughout the entire supply chain.

* The carbon footprint for 2008, adjusted to allow for the change of scope in 2009.
BAM Business Principle 5b

Waste

BAM intends to promote the recycling of materials and to reduce waste to a minimum. Wherever possible, the Group uses alternative materials and methods in order to achieve optimum raw material usage in collaboration with its clients and suppliers.

Results for 2009

- Implementation of a professional reporting system incorporated into the regular system of financial reporting.
- Collaboration with waste processing companies and suppliers to reduce waste production.

Objectives for 2010

- In the United Kingdom: introduction of the BAM SMART tool.
- Formulation of KPI-based objectives for waste management and waste reduction.
The construction industry creates significant waste streams. The dumping or incineration of waste is undesirable because of a lack of space, health risks and emissions into the environment. In addition, many useful and increasingly scarce raw materials are lost along with the waste.

This is why waste reduction is one of the three key areas in BAM’s sustainability policy. Reducing waste calls for very careful supply chain management. This involves BAM working intensively with suppliers and waste processing companies to reduce waste production by means of prevention, recycling and responsible waste processing.

BAM implemented a Group-wide reporting system during the year under review to obtain more information about waste production and management within the BAM organisation. Every operating company provides quantitative data regarding waste production, types of waste and waste management. BAM aims to use this information to increase awareness of waste-related problems and direct waste management policy accordingly.

BAM produced 5.0 million m³ of waste worldwide during the year under review(1). Approximately three quarters of this waste came from excavation work, which included all different kinds of soil, rocks, and stones that left the construction site. A further differentiation is made between demolition, office and construction waste.

There are three categories of waste in waste management: reuse or recycling, incineration with energy recovery, and landfill or incineration without energy recovery. Approximately a quarter of all waste is simply dumped in landfill sites or is incinerated without energy recovery. Almost all of the remaining waste is either reused or recycled.

BAM has noted in the waste data reports that different definitions are used in different countries and areas and that the availability of data from subcontractors and suppliers is not always sufficient. Where possible, the data was provided in terms of volume (m³). Weight data (tons) was converted using the following conversion factors:

- excavation waste: 1.60 ton/m³;
- demolition waste: 0.86 ton/m³;
- construction waste (not including stones in the Netherlands): 0.23 ton/m³;
- construction waste (including stones outside the Netherlands): 0.86 ton/m³;
- office waste: 0.12 ton/m³.

(1) 37.8% measured, 61.8% calculated, 0.4% estimated.

BAM and SITA: managing the entire waste chain

‘Sustainable supply chain integration has become an increasingly important issue worldwide, including in construction sector. Close partnerships between waste processing companies and construction firms can result in an increased understanding and better monitoring of the total waste chain’, says Henk-Jan van Doorn, corporate account manager at SITA. SITA is a leading player in the Dutch waste management market and is listed in the Dow Jones Sustainability Index.

‘BAM and SITA have set joint targets to increase the percentage of segregated waste to a maximum and – in increasing numbers of cases – to actually segregate the waste themselves. This will lead to high quality waste recycling across the supply chain. In addition, information on waste streams can secure financial benefits for a company and increase its chance of success in sustainable tendering processes. Finally, but by no means least important, effective processing of industrial waste can also help reduce CO₂ emissions.’

The partnership between BAM and SITA focuses on more than just policy: ‘Effective waste management involves working with the project team to prevent or reduce waste and agreeing on the most efficient and safest method for removing waste from the construction site.’

BAM continues to face challenges when it comes to waste management. Van Doorn: ‘We believe that BAM is among the Netherlands’ three most successful construction companies in the field of waste management. But the organisation would benefit from a more centralised approach to addressing the issue of waste. In waste management, upscaling can maximise returns.’

Graph 14 Waste production by origin (volume in m³)

Graph 15 Waste production by designated use (volume in m³)
In practice

Data collection within BAM Construct UK: BAM SMART

In view of the requirement for all operating companies to report on waste to the Group, BAM Construct UK developed a data collection method during the year under review which will be used company-wide in 2010. Caroline Cook, corporate social responsibility director at BAM Construct UK: ‘We joined forces with the Building Research Establishment (BRE) on the further specific development of their Smart Waste Monitoring Tool. The result is the BAM Sustainability Measurement and Reporting Tool (BAM SMART for short), an Internet portal that will be used by our company from 2010 to provide access to a wide range of data. The system enables access to information about waste production, waste processing and energy and water consumption. It also provides information about volumes of certified wood purchased, the deployment of sustainable innovations, Energy Performance Certificate Ratings and BREEAM ratings. It is even possible to extend this list further.’

The advantages of BAM SMART include an option for expanding the parameters, real-time display of data and the possibility for clients to monitor the performance of their project in terms of sustainability.

Waste Working Group

BAM has an active Waste working group made up of BAM employees from various operating companies and disciplines and representatives from several important suppliers and construction partners including SITA, Technische Unie, CRH Bouwmaterialen and Pont Meijer. Its work includes scrutinising waste segregation on construction sites and investigating ways of reducing packaging waste. Increased awareness is one key way in which waste segregation on construction sites can be improved. By providing a better understanding of the waste streams and their consequences for the company with respect to wider society, waste treatment is seen in a new light.

The partnership with SITA, an important waste processing partner on BAM’s construction sites, has made it possible to analyse quantities of waste for each operating company, region and project. This will enable the effects of the improvements put forward by the working group to be clearly visible in the coming years.

The proposed improvements primarily relate to reducing construction and demolition waste through improved segregation. By preventing mixed waste as far as possible, environmental damage can be reduced and money saved.

In the near future, a pilot relating to differentiated logistical services will be launched in collaboration with Technische Unie. This is a method Technische Unie uses to exchange crates and units on the construction site. A member of Technische Unie staff arranges logistics from the factory to the workplace for the project in order to reduce the number of inefficient working hours and minimise waste. The working group is also investigating whether this concept can be usefully applied in other situations. It has worked closely with Pont Meijer and CRH Bouwmaterialen on ways to reduce waste in the delivery of construction materials. It is possible to conclude that many types of packaging are directly related to the production method. This calls for an additional focus on more sustainable types of packaging and more upstream segregation.

In March 2010, the Waste working group will present its results on the various initiatives. BAM expects these results to mark a further significant step towards reducing waste in the supply chain.

In Ireland too, BAM is working to integrate awareness of waste reduction into the entire value chain. During the year under review, BAM Contractors paid ‘Duty of Care’ visits to its waste processing companies. This audit included an assessment of the waste processing company’s facilities, licences and permits and corporate processes. This is part of BAM Contractors’ ongoing endeavour to ensure that subcontractors also work in accordance with BAM’s waste policy.
Olympic Park London: 95 percent waste recycling

In London’s Lea Valley, BAM Nuttall is working with other civil engineering companies to prepare for the arrival of the Olympic Games in 2012. The necessary civil engineering work primarily involves a major clean-up and preparations for construction on a massive scale. The fact that this area was previously home to industrial estates and landfill refuse dumps means that the construction site covering 246 hectares is one of the most polluted in the country’s history.

According to the Olympic Delivery Authority’s (ODA) sustainable development strategy, a sustainable and innovative design must be applied to ensure optimum waste reduction and maximum recycling of demolition and construction materials is achieved. The procedure adopted for waste management must follow a specific sequence: eliminate, reduce, reuse, recycle, recover and dispose of.

Prior to demolition, the buildings were assessed to determine which components could be stripped, reclaimed or reused off-site. The remaining debris was broken up to be recycled for land improvement. The entire construction site was divided into construction zones, each based on their ultimate designated use. Despite this compulsory division, BAM Nuttall and co-contractor Morrisons worked in close collaboration during the process of cleaning up the site and preparing it for construction. It is only by means of clear-cut agreements and transparent communication that it is possible to meet the ODA requirement for 90 percent of the materials originating from the construction location to be recycled or reused. In this particular case, they exceeded that requirement.

All the excavated materials were segregated based on their geotechnical and/or chemical composition. In addition, the UKAS-accredited laboratory on the construction site was able to analyse the materials immediately to detect the presence of contaminants such as heavy metals and hydrocarbons. BAM Nuttall was able to ensure that as much of the excavated material as possible could be recycled by applying biological cleaning, soil washing and in situ ground water remediation techniques.

Windsor Street Gasworks

During a similar remediation project at National Grid Property Holdings’ Windsor Street Gasworks in Birmingham, BAM Nuttall also applied equally ingenious methods. In order to clean up contaminated silt and materials containing tar in two underground gas tanks, BAM Nuttall opted for in situ remediation techniques combined with the reuse of cleaned materials rather than removing all the contamination. This significantly reduced the number of truck movements, leading to a decrease in CO₂ emissions. This highly efficient approach earned the BAM Nuttall team the Brownfield Briefing Remediation Innovation Award for Most Sustainable Remediation Project in 2008, as well as the BAM Nuttall Green Site Award.
BAM aims to achieve the integration of interests as regards people, added value and society in the various phases of the procurement process.

Results for 2009

- Raising of internal and external awareness of the business case for sustainable procurement.
- Organisation of suppliers’ event linked to the CSR scan of the top 200 Dutch suppliers.
- Further integration of sustainability within the value chain.

Objectives for 2010

- Introduction of a mutual sustainability declaration in collaboration with partners in the supply chain.
- Encourage subcontractors to report data.
In BAM’s view, corporate social responsibility demands an integrated approach across the entire value chain, from clients through to raw materials. For this reason, BAM will increasingly use the knowledge, expertise and innovative power of its suppliers during the early stages of a project. BAM aims to involve its preferred suppliers and subcontractors in the preparatory and specification phase in the tendering process in order to ensure that it can best meet its clients’ requirements.

By its very nature, sustainable procurement necessitates supply chain integration and collaboration. BAM is convinced that sustainability requires an integrated approach between all the parties involved. Early communication and involvement in projects is a key precondition for achieving this. In addition, it is also essential that chain partners continually challenge each other to achieve a continual process of innovation in order to improve efficiency and the project result.

In 2009, BAM was engaged in several initiatives to secure further improvements in the involvement of its partners and innovative partnerships with them.

**CSR supplier scan**

A prime example of this is the Dutch operating companies’ joint initiative to introduce the CSR supplier scan. This involved each company sending a questionnaire to its ten most important suppliers, subcontractors and construction partners to inform them of its efforts on corporate social responsibility. The results and related measures were explained to the parties involved during the BAM Sustainable Construction symposium in January 2010.

Points that emerged from the questionnaire included the following:

- 85 percent of respondents do not calculate their own carbon footprints;
- respondents currently pay little or no attention to waste management;
- respondents indicated that BAM approached them between ‘often’ and ‘very often’ about safety.

With regard to the organisation and the collaboration with BAM, respondents said that BAM makes use of 85 percent of the sustainable alternatives offered either in part or in whole.

In 2010, BAM will continue to work to improve supply chain integration and co-operation, taking account of the results of the questionnaire. BAM will also strengthen the involvement of external parties in the supply chain.

**Procurement training**

BAM also focuses on raising awareness internally with regard to sustainable procurement. The BAM Business School offers two procurement training courses that focus specifically on the theme of the sustainable procurement [2009: 60 course days]. In addition, the BAM International Procurement Meeting was also held during the year under review. This brought together all of BAM’s worldwide procurement managers to assess procurement policy and share ideas. Sustainable procurement was a key issue on the agenda.

During another workshop, the Dutch procurement managers were given an extensive briefing on the Dutch government’s new procurement policy according to which more tenders will be awarded on the basis of objective sustainability criteria. During the year under review, BAM Strategic Sourcing’s CSR co-ordinator acquired a more technical role. For example, one of the main responsibilities of the position now involves quantifying the waste data from the Dutch operating companies. The co-ordinator also became the central point of contact on all issues relating to waste management.

**Responsible Sourcing Policy**

In 2009, BAM Construct developed and implemented its Responsible Sourcing Policy, the text of which covers such issues as corporate integrity, the environment, social vision and local procurement. In order to co-ordinate its suppliers, BAM Construct uses the Procurement and Supply Chain Management Programme. Regional procurement managers use this programme to compile a consistent national overview of more than 7500 BAM suppliers. There is close collaboration with 250 ‘category 1’ suppliers in order to ensure compliance with the requirements set by BAM for safety, the environment and quality. For example, BAM has requested that three of its trading partners become certified for an accredited environmental management standard (for example ISO 14001) as a condition for further collaboration. As in the Netherlands, suppliers have also been issued with a questionnaire. Supervisors working for subcontractors and suppliers have also been asked to complete an official safety training course.
with the FSC hallmark. On behalf of BAM, Executive Board member Rob van Wingerden signed a covenant with the Borneo Initiative.

Thanks to BAM’s support, which has been doubled by the Sustainable Trade Institute following an initiative by Minister Koenders of Development Cooperation, the Borneo Initiative can now set to work on certifying 675,000 hectares of forest. By 2015, the organisation aims to have certified five million hectares. In developing countries, many people are dependent on the tropical forest for their employment and food. Certified, sustainable wood ensures that their interests and those of the environment are taken into account. This kind of initiative leads to increased use of certified wood and has a direct positive influence on the lives of people in developing countries. ‘In 2007, Royal BAM Group signed a covenant with FSC Nederland and the company has been campaigning for the use of certified wood for many years. We recognise the importance and necessity of sustainable forest management and believe the Borneo Initiative deserves wide support from the construction and property sector’, asserts Rob van Wingerden.

Monitoring of the amount of certified wood

BAM does its utmost to stimulate the use of certified wood. Part of the policy involves monitoring how much of the total amount of wood purchased is certified.

During the year under review, BAM contacted all its Dutch suppliers who supply products that can contain wood (wood used in construction, beams, fences, hand supports, window frames, doors, sheeting and so on). Of these suppliers, 39 percent confirmed that they are able to report on the quantity of FSC-certified wood they supply. The figures they report show that approximately 18 percent of wood supplied to BAM carries the FSC label.

In the United Kingdom, BAM Nuttall and BAM Construct use a ‘chain of custody’ tracking system to estimate the portion of certified wood delivered to construction sites. At least 80 percent of the wood used by BAM UK can be shown to be certified. By focusing exclusively on certified suppliers the British operating companies are putting themselves in a strong position to use only certified wood in the future.

BAM is of the opinion that the availability of data at suppliers and at BAM is currently insufficient in the Netherlands to reliably measure usage. BAM intends to take responsibility within the supply chain by implementing a professional process of data collection in the Netherlands as well using a chain of custody tracking system for certified wood.

Guiding Principles

In collaboration with six other major construction companies in the Netherlands, BAM has introduced the Guiding Principles, designed to promote professional co-operation and supply chain responsibility in the construction sector. These are based on combining the economic principle with the core values such as corporate social responsibility, integrity, transparency and sustainability. By signing the guiding principles, construction companies indicate that they expect public and private clients to apply corporate social responsibility in their dealings with them and that they offer flexibility for sustainability and innovation. When acting as clients, construction companies wish to treat their contractors in the same way as they would like to be treated by their own clients. Contractors and partners are also expected by their client companies to behave in a manner that is professional, honest, transparent and socially responsible.

BAM Nuttall re-evaluates partnerships with labour supply agencies

In 2009, BAM Nuttall conducted a survey among all the labour supply agencies with which the company works. The survey covered employment conditions for direct and indirect employees. As part of the survey, BAM Nuttall sent a questionnaire to all the agencies and invited them for an interview. The information gained related to workers’ legal status and insurance, options available for training, their professional qualifications and the agency’s policy.

In the light of the results, BAM Nuttall reduced the number of agencies it uses. An annual comparative survey will be carried out among the remaining agencies in order to ensure that they continue to meet the requirements set.

Sustainable forestry management in Borneo

In co-operation with Bouwfonds Ontwikkeling, Royal BAM Group is supporting the Borneo Initiative, an organisation that promotes sustainable forestry management in Indonesia by encouraging and supporting the certification of wood in accordance
BAM is committed to being a responsible company. This means that the Group conducts its activities in accordance with the applicable ethical, professional and legal standards. BAM considers corruption, bribery and unfair competition to be unacceptable.

Results for 2009
- BAM was number 1 in the Dutch Investors’ Association (VEB) ranking for the third time in a row.
- Further raising of awareness about integrity using the Integrity Toolkit.

Objectives for 2010
- Continue to fully implement the compliance programme.
The Group’s integrity policy is based on the Integrity Code of Conduct, a document signed by every employee as an integral part of his or her contract of employment. In this code of conduct, BAM stipulated that every employee must behave honestly, transparently and responsibly towards clients, business partners, shareholders and colleagues. BAM also subscribes to the corporate code of the Foundation for the Promotion of Integrity in the Construction Industry (Stichting Bevordering Integriteit Bouwnijverheid – SBIB). This organisation registers construction companies that have introduced a corporate code in accordance with the SBIB model. In order to ensure that its integrity policy is actively and properly implemented, BAM has appointed a corporate compliance officer, supported by a compliance officer in each Dutch operating company. Employees can contact this officer with any questions about integrity or reports of alleged wrongdoing. Based on the whistle-blower regulations that also apply within BAM, this can be done anonymously.

**Integrity Toolkit**

The policy outlined in the code of conduct is implemented in part by the Integrity Toolkit. The toolkit contains background information about integrity, honest leadership and dilemmas and is a practical guide to applying the rules laid down in the code of conduct.

**Integrity training**

The enforcement of the code of conduct is also assured by means of staff education and training. Courses that deal with the issue of integrity include the BAM Introduction Course (BIC), Procurement Training 1, Project Management and the BAM Manager course. During the year under review, 126 employees participated in these courses, representing a total of 1392 course days. In the courses, employees receive instruction on the Group’s integrity policy and guidance to help them deal with situations in which corporate integrity is jeopardised.

**Results**

In the year under review, compliance officers in the Netherlands received 36 (2008: 41) reports of alleged irregularities. Twenty-one of the 36 reports (2008: 23 of 41) involved actual violations of the code of conduct which included intimidation, incorrect use of company property and administrative irregularities. Disciplinary measures were taken against the employees concerned. In 2009, no complaints were received relating to discrimination (2008: 2), and there were no reports under the whistleblower scheme (2008: 0).

**‘BAM’s integrity policy sets the standard’**

Pieter van der Zwet, associate partner at KPMG Forensic & Integrity, has long been involved in BAM’s integrity policy. An external consultant, he is involved in rolling out BAM’s integrity strategy and its implementation within the organisation. In this context, Van der Zwet conducts integrity workshops, lectures on the subject of integrity in BAM Business School courses and was a key initiator of the Integrity Toolkit.

Van der Zwet: ‘Because the outside world expects transparency, integrity is essential within any organisation. A reliable corporate image also offers advantages in terms of long-term business relationships. BAM fully understands this and was one of the first companies to do so, some ten years ago.’

He believes that there has been a significant increase in awareness of integrity within BAM. ‘In the past, I often detected a degree of hesitation and sometimes even resistance in my contacts with BAM employees, but nowadays there is a completely open dialogue and the staff even broach and tackle dilemmas themselves.’

Van der Zwet also advises other companies on the issue of integrity. ‘Within its sector, BAM undoubtedly sets the standard when it comes to integrity policy. Of course, that does not guarantee that nothing will ever go wrong again. But it does enable BAM to identify incidents quickly and to respond effectively.’

Van der Zwet also highlights a logical follow-up in the development of integrity policy within BAM. ‘The Group has made significant progress in raising awareness about integrity and in applying concrete implementation measures. A logical follow-up to this is to monitor integrity-related behaviour within the organisation. This will provide even more information on how integrity is actually safeguarded within the organisation and increase accountability.’

He also sees another challenge on the horizon. ‘The organisation is facing new dilemmas relating, for example, to international legislation and regulations and new forms of co-operation such as public-private partnerships and contracts based on co-makership. For example, what role does integrity play in dealing with a co-maker’s intellectual property and how should the often significant knowledge discrepancy between contractual partners be addressed? It must be possible to discuss these dilemmas within the organisation.’

**‘BAM has made significant progress in raising awareness about integrity.’**
In the year under review, Royal BAM Group encountered no instances relating to monopolistic practices or anti-competitive behaviour. Equally, the Group’s legal affairs department is not aware of any violations of national or international legislation.

**External covenant: BWI**

BAM’s corporate integrity is not only assured by means of internal measures such as the Integrity Code of Conduct, but also through the signing of integrity declarations with external parties. For many years an agreement had been in place between BAM and Building and Woodworkers International (BWI), to carry out its business activities in accordance with national and international legislation and, with the relevant guidelines and recommendations of the International Labour Organisation (ILO). The so-called Framework Agreement was signed by BAM and BWI and aims to promote and protect employees’ rights. This demonstrates BAM’s commitment to recognise and respect:

- the basic principles of human rights as defined in the Universal Declaration of Human Rights;
- the ILO Declaration on Fundamental Principles and Rights at Work;
- the ILO Conventions in force;
- the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy;
- the OECD Guidelines for Multinational Enterprises.

In addition, BAM endorses the need for fair negotiations with national trade unions and acknowledges that corruption, bribery and anti-competitive behaviour has a disruptive effect on the market.

BAM is committed to achieve social justice and sustainable development in its activities with trading partners, subcontractors and suppliers. As part of this, BAM and BWI work together to ensure that the following social criteria are applied:

- the ban on forced labour;
- the right to equality and diversity in terms of ethnic origin, skin colour, gender, religion, political conviction, nationality or other distinguishing characteristics;
- the ban on child labour;
- the right to establish and join trade union organisations;
- the right of employees to fair pay, respecting minimum wage;
- the right to suitable working conditions (working hours and facilities, training and development, health and safety).

Regular meetings are held to ensure that the objectives are being met. These meetings are made up of management representatives from BAM and BWI, to monitor the implementation of the agreement.
BAM ranks number one for compliance with Dutch corporate governance code

The Dutch Investors Association (VEB) conducts annual surveys of the 45 largest listed companies in the Netherlands to gauge compliance with the 64 core best practice guidelines included in the Dutch corporate governance code. In the results published at the end of 2009, BAM ranked number one for the third consecutive year.

Top three
1. BAM 8.4
2. Binck Bank and Nutreco 8.1
3. Smit Internationale 7.9

The confidence that clients, shareholders, lenders, construction partners and employees place in Royal BAM Group is essential for ensuring the continuity of the enterprise. The Group accordingly adheres to generally accepted standards and values and complies with local statutory and other rules and regulations, particularly with respect to the acquisition and execution of contracts. This basic position is affirmed in the Royal BAM Group’s Integrity Code of Conduct. All employees are required to act fairly, to honour agreements and to act with care in respect of clients and business partners, such as suppliers and subcontractors. In order to make integrity a fundamental part of day-to-day activities, the subject is regularly revisited.

BAM responds to investors’ questions via community call

Integrity in business also involves transparent communication about policy, strategy and results. In October 2009, investors posed more than fifty questions to CFO Jan Ruis during the community call organised by the IEX, the Netherlands’ largest platform for investors.

On the IEX website, Ruis discusses the Group’s strategy, results and ambitions in detail. The questions posed by interested investors primarily related to international activities, future prospects, communication with investors and innovation.

Personal data

Royal BAM Group reports that the Information Commissioner’s Office (ICO) in the UK launched an enquiry in March 2009 into forty construction companies suspected of using the services of the Consulting Association (TCA). The organisation is suspected of inappropriate use of personal data. BAM Nuttall and BAM Construct UK were among the forty companies under investigation. Neither of these operating companies has ever used the data on any individual recorded by TCA and in July 2009, the Information Commissioner’s Office announced that BAM Nuttall and BAM Construct were no longer subject to investigation.

In practice

51
BAM innovates in order to identify balanced sustainable solutions. Innovation is essential for the company’s development and to identify powerful sustainable solutions in the built-up environment. BAM has set itself the goal of stimulating sustainable solutions whilst maintaining a balance between economic, environmental and social interests.

Results for 2009
- Development of W&R Green Home.
- Electrostatic concept practical pilot.

Objectives for 2010
- Boost the sharing of knowledge and an innovative culture.
- Further develop highly promising innovations such as energy-neutral area development and the Electrostatic concept.
BAM’s activities are focused on attempting to create added value and offering solutions that reflect the needs of society. In a constantly changing world, this calls for sustainable innovations. In addition to innovative products and production processes, this also involves alternative methods of financing to reflect new types of contracts such as DBFM (design, build, finance, maintain).

In BAM’s view, innovation is essential for the company’s continued growth. BAM believes that recent worldwide events have made innovation even more necessary. Climate change, the ageing population and other far-reaching developments provide BAM with useful opportunities to create added value for society and the organisation itself.

W&R Green Home

To reduce housing and energy costs BAM Woningbouw has developed the W&R Green Home, a sustainable version of its W&R Home. At its heart, the W&R formula is an optimised process based on a model home. The process involves collaboration with co-makers who are regular subcontractors, selected for quality, service and price. The results offer clarity, security (both in terms of price and planning) cost reductions, a short throughput time and an excellent price/quality ratio.

The sustainable variant, the W&R Green Home, makes it possible to achieve environmental objectives whilst at the same time reducing housing costs. This is because the BAM W&R Green Home meets all the energy performance standards imposed by the Dutch government for 2015 and contributes to a reduction in CO2 emissions.

As a result, this energy-efficient home is perfectly in line with the target set by the Dutch Ministry of Housing, Spatial Planning and Environment (VROM) to make half a million homes 30 percent more energy efficient by 2011.

Energy-neutral area development

In 2009, Pieter Hameetman, AM’s director Sustainability, was included in the Sustainable 100 (De Duurzame 100), the Dutch list of the one hundred most influential people in the field of sustainability, published by the daily newspaper Trouw. For more than twenty years, Hameetman has been involved in highly energy-efficient construction, the environmental classification of construction materials, urban ecology and customer-focused development. His publications include the book Toolkit for Sustainable Residential Construction (Toolkit Duurzame Woningbouw) and since 2006 he has been chairman of the Innovation working group within the Energy Transition Platform for the Built Environment (PeGO).

In the past, the Innovation working group has published an Energy Transition Plan. At its core, the plan envisages a series of eighty innovative model projects to be implemented by 2012 in which CO2 reduction levels will be gradually improved to realise an 80 percent reduction compared with 1990 levels. This will be achieved by reducing the total energy consumption in the built-up environment, therefore including both household and business-related consumption.

This has led to the emergence of the PeGO Innovation Pioneers (Koplopers PeGO Innovatie) platform, a partnership between eleven construction companies and the Dutch Ministries of Economic Affairs and of Housing, Spatial Planning and the Environment, which aims to reduce energy consumption in the built-up environment. In addition, Hameetman is collaborating with several other experts on the development of the Energy-neutral Area Development Toolkit.

Hameetman: ‘Having started with the question of how to make homes more energy efficient, we are now working with major companies on energy-neutral area development. In terms of energy usage, this is already feasible; the challenge lies in making it work in economic terms.’

BAM is certainly well equipped to take on this challenge. Hameetman: ‘Energy-neutral area development involves transforming the issue of climate change into new business. As a multidisciplinary construction company, BAM is ready to tackle this issue of the future.’
Alternative applications as innovation

Sustainable innovation also involves alternative applications. An example of this is the new-build project for the headquarters of the Dutch government organisation Statistics Netherlands. Two BAM operating companies, AM and BAM Utiliteitsbouw, are responsible for the development and realisation of the project respectively. The heating and cooling systems for the office in Heerlen are fed by water pumped from the abandoned mine system at various depths, each at different temperatures. As a result, the abandoned mines are again producing energy, but this time in the form of water rather than coal. The new-build project is based on results from the Mine Water Project, an international partnership between the Netherlands, the United Kingdom, France and Germany investigating the possibilities of heating large urban districts with water from abandoned mine shafts.

In Heerlen, the water temperature at depths between 150 and 200 metres ranges from 13 to 17 degrees, making it perfect for cooling a building. At a depth of 1000 metres, the water temperature is 35 degrees and can therefore be used to heat a building. A special system covering several kilometres has been installed in the ground to circulate the cold and warm water. It will also be possible to connect nearby offices, factories and residential areas to the system.

Leading innovation: electrostatic concept

BAM has high expectations for its Electrostatic concept, an innovation developed in collaboration with TU Delft. Last year the concept won the Intertraffic Innovation Award and the InfraTech Energy Innovation Award. A large-scale practical pilot conducted in November 2009 has shown that the Electrostatic concept can be used to achieve a 15 percent reduction in the concentration of fine particulate matter PM10 produced by road traffic. It is expected that this percentage reduction can be further improved, enabling this groundbreaking innovation to be applied in improving air quality. See www.finedustreduction.com.

Awards

IBAM’s innovations have been warmly welcomed in the outside world, as the nominations and awards received by BAM during the year under review clearly demonstrate. Here are just some examples from 2009:

• BAM Woningbouw’s Sleephellingstraat renovation project was nominated for the new Passive Construction Award (PassiefBouwen Award).
• At the Innovation Day organised by the Netherlands Directorate-General for Public Works and Water Management, BAM Wegen won the award in the Sustainability category for its LEAB (Low Energy Asphalt Concrete) Project.
• The Delta Water Award was won by BAM Infraconsult and AM, in co-operation with Deltares, for the project Grevelingen: from Lake to Delta (Grevelingen: van meer naar delta). The Queen’s Commissioner from Zeeland and the Minister of Education, Culture and Sciences praised the way in which environmental and economic interests had been combined to revitalise the dynamism of the south-western delta by connecting land with water.
• As part of the Directorate-General for Public Works and Water Management’s Roads to the Future (Wegen naar de Toekomst) innovation programme, BAM Infra collaborated with TNO (an independent Dutch knowledge organisation) to develop the Fast Road Surface (SnelWegDek) concept. The concept provides an answer to traffic flow problems during roadworks. Rijkswaterstaat praised the concept as one of the best entries in its competition.

ENCORD and ECTP Chairman hails from BAM

BAM considers it to be strategically important to monitor international developments in the world of construction and where possible to make a specific contribution to or exercise influence on evolution in the sector. This is achieved in part by its participation in European knowledge platforms, such as ENCORD and ECTP.

Founded in 1989, ENCORD, the European Network of Construction Companies for Research and Development, is the European business forum for research and development within the construction sector. Its members are European construction companies and suppliers, such as Acciona, Balfour Beatty, Dragados and Vinci, who focus intensively on research and development in order to improve their competitiveness and growth.

ENCORD’s activities take two forms: within its own network, participants share examples of best practice, development strategies and new research initiatives. Externally, ENCORD communicates directly with the research departments of the European Commission.
ENCORD’s Chairman is Professor G.J. (Ger) Maas, Director of Strategy at the Royal BAM Group.

During the year under review, Professor Maas was also invited to become chairman of the ECTP, the European Construction Technology Platform, which has the task of considering how the European construction sector can contribute to the further development of Europe. The platform creates models of technological and organisational change which can then be used in specific research programmes by the organisations involved. The members of the ECTP hail from all corners of the construction industry, including construction companies, architects, property investors, universities, research institutions, industry associations and so on.

Maas: ‘The ECTP is responsible for setting the strategic research agenda for the European construction sector. In close consultation with the European Commission, the organisation identifies the areas where research needs to be carried out in order to ensure that the European construction sector can be sustainable and competitive by 2030. The two main objectives that have been proposed in order to achieve this in a world of rapid economic, political and environmental changes are to respond to the needs of clients/users and to continue to increase the sustainability of Europe.’

According to Maas, BAM’s strategy already reflects these objectives: ‘At BAM we are also continuing to respond to these needs by implementing LEAN Construction Management, introducing virtual construction and continuing to roll out ICT applications to communicate with clients and to share knowledge. Furthermore, in its strategic agenda for 2010-2012, BAM has set itself the goal of developing new products and concepts to respond to clients' demand for total solutions and to meet the demands of modern society with regard to energy consumption and waste management.’
Assignment and responsibilities

We have examined the Sustainability Report 2009 (hereafter: 'the Report') of Royal BAM Group nv, Bunnik (hereafter: 'BAM'), in which the company renders account of its performance related to sustainability in 2009.

We do not provide any assurance on the assumptions and feasibility of prospective information in the Report, such as targets, expectations and ambitions.

The Board of Directors of BAM is responsible for the preparation of the Report. We are responsible for providing an assurance report on the Report.

Combination of audit and review procedures

Our examination consisted of the following combination of audit and review procedures:
• Audit of all information as presented in the chapter BAM Business Principle 3a – Safety.
• Review of all the other elements included in the Report.

Audit procedures focus on obtaining reasonable assurance, substantiated by sufficient and appropriate supporting audit evidence. Review procedures focus on obtaining limited assurance which does not require exhaustive gathering of evidence, therefore providing less assurance than audit procedures. Consequently, we report our conclusions with respect to the audit and review procedures separately. We believe these combined procedures fulfil a rational objective.

Reporting criteria

BAM developed its reporting criteria on the basis of the G3 Guidelines of the Global Reporting Initiative (GRI) as published in October 2006, as mentioned on page 4 of the Report. We consider the reporting criteria to be relevant and sufficient for our examination.

Scope and work performed

We planned and performed our work in accordance with Dutch law, including Standard 3410N 'Assurance engagements relating to sustainability reports'.

Audit procedures

With regard to the audited chapter BAM Business Principle 3a - Safety, we have gathered audit evidence as follows:
• testing the set-up, existence and the effectiveness of the relevant internal control measures during the reporting period;
• analytical review, relation checks and detailed checks.

Review procedures

Our most important review procedures were:
• performing an external environment analysis and obtaining insight into the branch, relevant social issues, relevant laws and regulations and the characteristics of the organization;
• assessing the acceptability of the reporting policies and their consistent application, such as assessment of the outcomes of the stakeholder dialogue and the reasonableness of estimates made by management, as well as evaluating the overall presentation of the Report;
• reviewing the systems and processes for data gathering, internal controls and processing of other information, such as the aggregation process of data to the information as presented in the Report;
• reviewing internal and external documentation to determine whether the information in the Report is substantiated adequately;
• assessing the application level according to the G3 Guidelines of GRI.

We believe that the evidence obtained from our examination is sufficient and appropriate to provide a basis for our conclusion.

Limitations in our examination

This is the first that the Report is prepared and examined. Comparative figures, as included in this Report for the years before 2009, have not been examined by us, unless stated otherwise.

Conclusions

Based on our audit procedures

We conclude that the information, as included in the chapter BAM Business Principle 3a – Safety, are in all material respects presented reliably and adequately, in accordance with the BAM reporting criteria.

Based on our review procedures

With respect to the other elements of the Report, based on our review procedures performed, nothing has come to our attention that would cause us not to conclude that in all material respects the Report provides a reliable and adequate presentation of the policy of BAM for sustainable development, or of the activities, events and performance of the organization relating to sustainable development during the reporting year, in accordance with the BAM reporting criteria.

The Hague, 29 March 2010
PricewaterhouseCoopers Accountants N.V.

(Original has been signed by)
J. van Hees RA
## Summary of GRI G3 for Royal BAM Group nv

<table>
<thead>
<tr>
<th>GRI code</th>
<th>Subject</th>
<th>Reporting level</th>
<th>Page</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Strategy and analysis</td>
<td>○</td>
<td>6, 7</td>
<td>○</td>
</tr>
<tr>
<td>1.2</td>
<td>Description of key impacts, risks, and opportunities.</td>
<td>○</td>
<td>6, 7</td>
<td>○</td>
</tr>
<tr>
<td>2.1</td>
<td>Name of the organization.</td>
<td>○</td>
<td>1</td>
<td>○</td>
</tr>
<tr>
<td>2.2</td>
<td>Primary brands, products, and/or services.</td>
<td>○</td>
<td>1</td>
<td>○</td>
</tr>
<tr>
<td>2.3</td>
<td>Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.</td>
<td>○</td>
<td>2</td>
<td>Additional information in Financial Annual Report, page 6, 7.</td>
</tr>
<tr>
<td>2.4</td>
<td>Location of organization’s headquarters.</td>
<td>○</td>
<td>1</td>
<td>○</td>
</tr>
<tr>
<td>2.5</td>
<td>Number of countries where the organization operates, that are specifically relevant to the sustainability issues covered in the report.</td>
<td>○</td>
<td>1</td>
<td>○</td>
</tr>
<tr>
<td>2.6</td>
<td>Nature of ownership and legal form.</td>
<td>○</td>
<td>1</td>
<td>○</td>
</tr>
<tr>
<td>2.7</td>
<td>Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).</td>
<td>○</td>
<td>1, 2</td>
<td>Financial Annual Report, page 6, 7.</td>
</tr>
<tr>
<td>2.8</td>
<td>Scale of the reporting organization.</td>
<td>○</td>
<td>1, 4</td>
<td>○</td>
</tr>
<tr>
<td>2.9</td>
<td>Significant changes during the reporting period regarding size, structure, or ownership.</td>
<td>○</td>
<td>4</td>
<td>○</td>
</tr>
<tr>
<td>2.10</td>
<td>Awards received in the reporting period.</td>
<td>○</td>
<td>12, 17, 29, 43, 51, 54</td>
<td>○</td>
</tr>
<tr>
<td>3.1</td>
<td>Reporting period for information provided.</td>
<td>○</td>
<td>4, 5</td>
<td>○</td>
</tr>
<tr>
<td>3.2</td>
<td>Date of most recent previous report.</td>
<td>○</td>
<td>23.03.2009</td>
<td>○</td>
</tr>
<tr>
<td>3.3</td>
<td>Reporting cycle.</td>
<td>○</td>
<td>4, 5</td>
<td>○</td>
</tr>
<tr>
<td>3.4</td>
<td>Contact point for questions regarding the report or its contents.</td>
<td>○</td>
<td>5</td>
<td>○</td>
</tr>
<tr>
<td>3.5</td>
<td>Process for defining report content.</td>
<td>○</td>
<td>4, 5</td>
<td>○</td>
</tr>
<tr>
<td>3.6</td>
<td>Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).</td>
<td>○</td>
<td>4, 5</td>
<td>○</td>
</tr>
<tr>
<td>3.7</td>
<td>State any specific limitations on the scope or boundary of the report.</td>
<td>○</td>
<td>4, 5</td>
<td>○</td>
</tr>
<tr>
<td>3.8</td>
<td>Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.</td>
<td>○</td>
<td>4, 38</td>
<td>○</td>
</tr>
<tr>
<td>3.9</td>
<td>Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.</td>
<td>○</td>
<td>4, 38</td>
<td>○</td>
</tr>
<tr>
<td>3.10</td>
<td>Explanation of the effect of any re-statements of information provided in earlier reports.</td>
<td>○</td>
<td>There is no reason to revise any of the data reported in last year’s sustainability report.</td>
<td>○</td>
</tr>
<tr>
<td>3.11</td>
<td>Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.</td>
<td>○</td>
<td>4, 5</td>
<td>○</td>
</tr>
<tr>
<td>3.12</td>
<td>Table identifying the location of the standard disclosures in the report.</td>
<td>○</td>
<td>58 - 62</td>
<td>○</td>
</tr>
<tr>
<td>3.13</td>
<td>Policy and current practice with regard to seeking external assurance for the report.</td>
<td>○</td>
<td>4, 5</td>
<td>○</td>
</tr>
<tr>
<td>4.1</td>
<td>Governance structure of the organization, including committees under the highest governance body.</td>
<td>○</td>
<td>Financial Annual Report, page 41 - 45.</td>
<td>○</td>
</tr>
<tr>
<td>4.2</td>
<td>Indicate whether the chair of the highest governance body is also an executive officer.</td>
<td>○</td>
<td>Financial Annual Report, page 32, 43.</td>
<td>○</td>
</tr>
<tr>
<td>4.3</td>
<td>For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>○</td>
</tr>
<tr>
<td>4.4</td>
<td>Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.</td>
<td>○</td>
<td>4 - 7</td>
<td>○</td>
</tr>
<tr>
<td>4.5</td>
<td>Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization’s performance (including social and environmental performance).</td>
<td>○</td>
<td>Financial Annual Report, page 27, 28.</td>
<td>○</td>
</tr>
<tr>
<td>4.6</td>
<td>Processes in place for the highest governance body to ensure conflicts of interest are avoided.</td>
<td>○</td>
<td>Financial Annual Report, page 43.</td>
<td>○</td>
</tr>
<tr>
<td>4.7</td>
<td>Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization’s strategy on economic, environmental, and social topics.</td>
<td>○</td>
<td>Financial Annual Report, page 43.</td>
<td>○</td>
</tr>
<tr>
<td>GRI code</td>
<td>Subject</td>
<td>Reporting level</td>
<td>Page</td>
<td>Comments</td>
</tr>
<tr>
<td>----------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------</td>
<td>------</td>
<td>-----------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>4.8</td>
<td>Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.</td>
<td></td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>4.9</td>
<td>Procedures of the highest governance body for overseeing the organization’s identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.</td>
<td></td>
<td>4-7</td>
<td>Financial Annual Report, page 41-43.</td>
</tr>
<tr>
<td>4.11</td>
<td>Explanation of whether and how the precautionary approach or principle is addressed by the organization.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.12</td>
<td>Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.</td>
<td></td>
<td></td>
<td>BAM operating companies are certified for sector-specific activities in accordance with various standards, including ISO9001, ISO14001, OHSAS18001 and the Petrochemical Safety, Health and Environment Checklist for Contractors (VCA Petrochemie), ...</td>
</tr>
<tr>
<td>4.13</td>
<td>Memberships in associations (such as industry associations) and/or national/international advocacy organizations.</td>
<td></td>
<td></td>
<td>The associations/organisations that BAM operating companies are involved in for sector-specific activities include CDP, ENCORD, TRADA, BSC, IOSH, ASHRAE, UNETO-VNI (The Netherlands association of contracting installing companies and technical retailers), The Netherlands Association of Property Developers and Investors (NEPROM), ROSPA, CIVM and EPEA, ...</td>
</tr>
<tr>
<td>4.14</td>
<td>List of stakeholder groups engaged by the organization.</td>
<td></td>
<td>4-5</td>
<td></td>
</tr>
<tr>
<td>4.15</td>
<td>Basis for identification and selection of stakeholders with whom to engage.</td>
<td></td>
<td>4-5</td>
<td></td>
</tr>
<tr>
<td>4.16</td>
<td>Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.</td>
<td></td>
<td>4-5</td>
<td></td>
</tr>
<tr>
<td>4.17</td>
<td>Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.</td>
<td></td>
<td>4-5</td>
<td></td>
</tr>
</tbody>
</table>

### Economic performance indicators

<table>
<thead>
<tr>
<th>DMA Targets and results</th>
<th>Key figures, 6, 7</th>
<th>Financial Annual Report, page 9, 35-39.</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMA Policy</td>
<td>6, 7</td>
<td>Executive Board</td>
</tr>
<tr>
<td>DMA Responsibility</td>
<td>BAM Business School offers a range of business courses.</td>
<td></td>
</tr>
<tr>
<td>DMA Training</td>
<td>Executive Board</td>
<td></td>
</tr>
</tbody>
</table>

### Performance indicators

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EC2 Financial implications and other risks and opportunities for the organization’s activities due to climate change.</td>
<td>6, 7</td>
<td>Financial Annual Report, page 147-151.</td>
</tr>
<tr>
<td>EC3 Coverage of the organization’s defined benefit plan obligations.</td>
<td></td>
<td>BAM has received no financial assistance from governmental authorities.</td>
</tr>
<tr>
<td>EC4 Significant financial assistance received from government.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EC5 Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI code</td>
<td>Subject</td>
<td>Reporting level</td>
</tr>
<tr>
<td>---------</td>
<td>-------------------------------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>EC6</td>
<td>Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.</td>
<td></td>
</tr>
<tr>
<td>EC7</td>
<td>Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.</td>
<td></td>
</tr>
<tr>
<td>EC8</td>
<td>Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.</td>
<td></td>
</tr>
<tr>
<td>EC9</td>
<td>Understanding and describing significant indirect economic impacts, including the extent of impacts.</td>
<td></td>
</tr>
</tbody>
</table>

### Environmental Performance Indicators

**Disclosure on Management Approach**

| DMA | Targets and results | 8, 9, 32 - 43 |
| DMA | Policy | 6, 7, 8, 9 |
| DMA | Responsibility | Director CSR |
| DMA | Training | Each operating company takes decentralised decisions regarding whether and in which form training will be given regarding environmental impact. |
| DMA | Progress control | Director CSR |

**Performance indicators**

| EN1 | Materials used by weight or volume. |                                               |
| EN2 | Percentage of materials used that are recycled input materials. |                                               |
| EN3 | Direct energy consumption by primary energy source. | 36 - 39 |
| EN4 | Indirect energy consumption by primary source. | 36 - 39 |
| EN5 | Energy saved due to conservation and efficiency improvements. | 36 - 39 |
| EN6 | Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. | 36 - 39, 52 - 54 |
| EN7 | Initiatives to reduce indirect energy consumption and reductions achieved. |                                               |
| EN8 | Total water withdrawal by source. |                                               |
| EN9 | Water sources significantly affected by withdrawal of water. |                                               |
| EN10 | Percentage and total volume of water recycled and reused. |                                               |
| EN11 | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. |                                               |
| EN12 | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. |                                               |
| EN13 | Habitats protected or restored. |                                               |
| EN14 | Strategies, current actions, and future plans for managing impacts on biodiversity. |                                               |
| EN15 | Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. |                                               |
| EN16 | Total direct and indirect greenhouse gas emissions by weight. | 36 - 39 |
| EN17 | Other relevant indirect greenhouse gas emissions by weight. | 36 - 39 |
| EN18 | Initiatives to reduce greenhouse gas emissions and reductions achieved. | 36 - 39 |
| EN19 | Emissions of ozone-depleting substances by weight. |                                               |
| EN20 | NOx, SOx, and other significant air emissions by type and weight. |                                               |
| EN21 | Total water discharge by quality and destination. |                                               |
| EN22 | Total weight of waste by type and disposal method. | 40 - 43 |
| EN23 | Total number and volume of significant spills. |                                               |
| EN24 | Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally. |                                               |
| EN25 | Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization’s discharges of water and runoff. |                                               |

### Legend
- Reported in Sustainability report 2009
- Not reported
- Reported partly
<table>
<thead>
<tr>
<th>GRI code</th>
<th>Subject</th>
<th>Reporting level</th>
<th>Page</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN26</td>
<td>Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.</td>
<td>○</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN27</td>
<td>Percentage of products sold and their packaging materials that are reclaimed by category.</td>
<td>○</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN28</td>
<td>Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.</td>
<td>○</td>
<td></td>
<td>In August 2009, BAM accepted and paid a proposed out-of-court settlement for a fixed penalty of €2,000 for an alleged environmental infringement on a project site close to The Hague in 2008. This is the only case of which BAM’s legal affairs department is aware.</td>
</tr>
<tr>
<td>EN297</td>
<td>Significant environmental impacts of transporting products and other goods and materials used for the organization’s operations, and transporting members of the workforce.</td>
<td>○</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN30</td>
<td>Total environmental protection expenditures and investments by type.</td>
<td>○</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Labor practices and decent work performance indicators

<table>
<thead>
<tr>
<th>Disclosure on Management Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMA</td>
</tr>
<tr>
<td>DMA</td>
</tr>
<tr>
<td>DMA</td>
</tr>
<tr>
<td>DMA</td>
</tr>
<tr>
<td>DMA</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Performance indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>LA1</td>
</tr>
<tr>
<td>LA2</td>
</tr>
<tr>
<td>LA3</td>
</tr>
<tr>
<td>LA4</td>
</tr>
<tr>
<td>LA5</td>
</tr>
<tr>
<td>LA6</td>
</tr>
<tr>
<td>LA7</td>
</tr>
<tr>
<td>LA8</td>
</tr>
<tr>
<td>LA9</td>
</tr>
<tr>
<td>LA10</td>
</tr>
<tr>
<td>LA11</td>
</tr>
<tr>
<td>LA12</td>
</tr>
<tr>
<td>LA13</td>
</tr>
<tr>
<td>LA14</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Human rights performance indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclosure on Management Approach</td>
</tr>
<tr>
<td>DMA</td>
</tr>
<tr>
<td>DMA</td>
</tr>
<tr>
<td>DMA</td>
</tr>
</tbody>
</table>

<p>| 61 |</p>
<table>
<thead>
<tr>
<th>GRI code</th>
<th>Subject</th>
<th>Reporting level</th>
<th>Page</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMA</td>
<td>Training</td>
<td>☀</td>
<td>48 - 51</td>
<td></td>
</tr>
<tr>
<td>DMA</td>
<td>Progress control</td>
<td>☀</td>
<td></td>
<td>Corporate Compliance Officer</td>
</tr>
</tbody>
</table>

**Performance indicators**

| HR1      | Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening. | ☀ | |
| HR2      | Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken. | ☀ | 44 - 47 |
| HR3      | Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. | ☀ | Operating companies which operate in a context where this is of relevance provide training on an ad-hoc basis. |
| HR4      | Total number of incidents of discrimination and actions taken. | ☀ | 48 - 51 |
| HR5/HR6/HR7 | Operations identified in which (1) the right to exercise freedom of association and collective bargaining, and actions taken to support these rights, (2) for incidents of child labor, (3) for incidents of forced or compulsory labor may be a significant risk. | ☀ | |
| HR8      | Percentage of security personnel trained in the organization’s policies or procedures concerning aspects of human rights that are relevant to operations. | ☀ | |
| HR9      | Total number of incidents of violations involving rights of indigenous people and actions taken. | ☀ | |

**Society performance indicators**

**Disclosure on Management Approach**

| DMA      | Targets and results | ☀ | 8, 9, 14 - 17, 48 - 51 | BAM Multi Stakeholders’ Dialogue, March 2010. |
| DMA      | Policy              | ☀ | 8, 9, 48 - 51 | |
| DMA      | Responsibility      | ☀ | | Corporate Compliance Officer |
| DMA      | Training            | ☀ | 28 - 31, 48 - 51 | Corporate Compliance Officer |
| DMA      | Progress control    | ☀ | | |

**Performance indicators**

| SO1      | Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting. | ☀ | |
| SO2      | Percentage and total number of business units analyzed for risks related to corruption. | ☀ | |
| SO3      | Percentage of employees trained in organization’s anti-corruption policies and procedures. | ☀ | 48 - 51 |
| SO4      | Actions taken in response to incidents of corruption. | ☀ | 48 - 51 |
| SO5      | Public policy positions and participation in public policy development and lobbying. | ☀ | |
| SO6      | Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country. | ☀ | |
| SO7      | Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes. | ☀ | |
| SO8      | Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations. | ☀ | |

**Product responsibility performance indicators**

**Disclosure on Management Approach**

<p>| DMA      | Targets and results | ☀ | 8, 9, 10 - 13 | |
| DMA      | Policy              | ☀ | 8, 9, 10 - 13 | Director CSR |
| DMA      | Responsibility      | ☀ | | |</p>
<table>
<thead>
<tr>
<th>GRI code</th>
<th>Subject</th>
<th>Reporting level</th>
<th>Page</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMA</td>
<td>Training</td>
<td></td>
<td></td>
<td>BAM did not offer training in product responsibility during the year under review.</td>
</tr>
<tr>
<td>DMA</td>
<td>Progress control</td>
<td></td>
<td></td>
<td>Director CSR</td>
</tr>
<tr>
<td></td>
<td><strong>Performance indicators</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR1</td>
<td>Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.</td>
<td>○</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR2</td>
<td>Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.</td>
<td>○</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR3</td>
<td>Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.</td>
<td>○</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR4</td>
<td>Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.</td>
<td>○</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR5</td>
<td>Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.</td>
<td>○</td>
<td>4-5, 10-13</td>
<td></td>
</tr>
<tr>
<td>PR6</td>
<td>Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.</td>
<td>○</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR7</td>
<td>Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.</td>
<td>○</td>
<td></td>
<td>There are no known instances of non-compliance with this regulation at BAM.</td>
</tr>
<tr>
<td>PR8</td>
<td>Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.</td>
<td>○</td>
<td></td>
<td>There are no known instances of non-compliance with this regulation at BAM.</td>
</tr>
<tr>
<td>PR9</td>
<td>Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.</td>
<td>○</td>
<td></td>
<td>There are no known instances of non-compliance with this regulation at BAM.</td>
</tr>
</tbody>
</table>
Acknowledgements

Layout:
Boulogne Jonkers, Zoetermeer

Printing:
RotoSmeets GrafiServices, Utrecht

Illustrations:
De Beeldredaktie, Michael Boulogne, Jeroen Kleijn, Lex Klimbie.

This sustainability report has been printed on 9Lives van BührmannUbbens, Zutphen, Netherlands. This FSC-certified paper is made from 55 percent recycled fibers.

13.04.2010
### Key figures 2009

<table>
<thead>
<tr>
<th>Key figure</th>
<th>Value (in € million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>8,353</td>
</tr>
<tr>
<td>Operating result</td>
<td>(39.5)</td>
</tr>
<tr>
<td>Result before tax</td>
<td>(52.8)</td>
</tr>
<tr>
<td>Net result attributable to shareholders</td>
<td>31.3</td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
<td></td>
</tr>
<tr>
<td>• basic</td>
<td>0.23</td>
</tr>
<tr>
<td>• fully diluted</td>
<td>0.23</td>
</tr>
<tr>
<td>Order book *</td>
<td>11,200</td>
</tr>
<tr>
<td>Average number of employees</td>
<td>28,464</td>
</tr>
<tr>
<td>Number of employees at year-end</td>
<td>27,212</td>
</tr>
<tr>
<td>Corporate carbon footprint (in kTon)</td>
<td>277</td>
</tr>
<tr>
<td>Waste production (in million m³)</td>
<td>5.0</td>
</tr>
<tr>
<td>IF (Incident Frequency)</td>
<td>7.3</td>
</tr>
</tbody>
</table>

* The order book comprises both signed contracts and verbally agreed upon orders.