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<thead>
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<td>Net result attributable to shareholders (in € million)</td>
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<td>31.3</td>
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0 Introduction

We are delighted to present the fourth sustainability report published by Royal BAM Group.

This report forms part of the Group’s (financial) annual report for the reporting year 2010. It makes it clear that for BAM sustainability has now become an inseparable aspect of business operations. Whereas the financial annual report is primarily about added value, this sustainability report focuses mainly on people and the environment. As was the case last year, this Royal BAM Group sustainability report has been externally verified and complies with GRI B+.

0.1 Foreword by the Executive Board

During an economic downturn, longer-term yields remain a key focus. In 2010, BAM was again able to work with clients and supply chain partners to place sustainability on a firmer footing. We have expanded the BAM Business Principles to make sustainability a business driver and placed greater emphasis on long-term relationships with supply chain partners, because we recognise that substantial sustainability benefits can be achieved through closer collaboration throughout the supply chain.

BAM’s endeavours in relation to sustainability are increasingly recognised and acknowledged. BAM is now included in the Ethibel Excellence Investment Register. In 2010, BAM also became part of the Triodos Bank investment universe. BAM’s reporting ranks among the top 20 in the Dutch Ministry of Economic Affairs, Agriculture and Innovation’s transparency benchmark and BAM was declared the sector winner. In 2010, our operating companies BAM Construct UK and BAM Nuttall were included in the list of Best Green Companies in the United Kingdom published by the Sunday Times.

Buildings have a huge impact on society and the environment. The Group’s ambition is to help create a safe and healthy environment in which people can work, live, move around and relax. Construction is a cyclical sector which is sensitive to (expected) economic growth. BAM’s markets are defined by tough competition where cost largely determines the chance of winning contracts.

We believe that the sector will continue to grow in the years ahead as a result of economic growth and changing demographics, including increased mobility.

The market prices for wood, fuel, bitumen, stone and steel fluctuate, and have a big impact on construction costs. Given the future pressure on the supplies of these raw materials, it is also important that we use them wisely.

Many different parties, ranging from clients to consultants and suppliers to subcontractors, are involved in BAM’s activities, which means that a substantial amount of co-ordination is required at every stage of the construction process. Alongside traditional criteria such as quality, safety and price, sustainability criteria will play an increasing role in the selection of suppliers and subcontractors.

Weather conditions affect productivity and with it profitability. As a consequence of climate change and the predicted rise in sea levels, we see increased opportunities in the coastal and riverbank market as well as other activities related to water management, including offering our knowledge and experience in the form of consultancy services for third parties. With our broad portfolio and knowledge of the entire construction process, we are well-positioned to offer integrated solutions.

Royal BAM Group was originally selected for inclusion in the Ethibel EXCELLENCE Investment Register on 16 September 2009 and its inclusion was confirmed once again on 28 February 2011.
In our markets, we are seeing an increasing focus on sustainability, in particular with respect to reducing energy consumption and thus CO₂ emissions too. Energy management systems will be used more and more often on BAM’s construction projects which as result will become increasingly complex from a technical point of view. The in-house expertise we have in this area, the professionalism of our employees and our project management qualities will enable us to respond very successfully to these developments.

The built environment is never finished and will look different in 2020 compared to how it looks today. The long life cycle of construction projects means that today’s project developments must anticipate these changes, for example with respect to energy consumption and CO₂ emissions, demographic changes, the depletion of raw materials and a decrease in biodiversity.

Sustainable innovation is necessary and achieving such innovation requires harnessing all the knowledge of sustainability available in our organisation, and not least for our employees to be genuinely engaged.

In 2011, BAM will take further steps to better understand its own sustainability performance so that we can focus on sustainable solutions so that BAM, together with its supply chain partners and stakeholders, will play an important role in creating a sustainable (more sustainable) environment in which to live and work.
N.J. de Vries (1951), Chairman:
Acting from the heart with an eye on the future, because our world is for ever

BAM’s aim is to be the preferred supplier for sustainable solutions – which is a big ambition. We see sustainability as an opportunity to promote and further develop our expertise, resulting in a pleasant living and working environment for every generation.

M.J. Rogers (1955):
Mobilising the potential

Knowledge is essential in the transition to a sustainably built environment. The world is altering rapidly, and that means that the organisation needs to change gear quickly and ensure that it communicates effectively. To do so, it is important that the Group mobilises its potential, not only through training programmes, but by sharing knowledge as well.

J. Ruis (1950):
The quest for sustainability parameters

Transparency is a crucial element of the focus on sustainability. We work hard to track data and link internal knowledge together so that we can deliver integrated solutions which add visible value to our living environment.

R.P. van Wingerden (1961):
Management and new forms of collaboration

A greater focus on sustainability requires an integrated approach, taking into account the long term through the concept of ‘total cost of ownership’. BAM is working together with partners in the construction process to develop new and productive forms of collaboration. Lean construction and virtual construction are two of the key concepts.
0.2  The European construction sector

The construction sector plays an indisputably important role in the economy. The sector acts both as an employer and manufacturer as well as a buyer of products and services. Construction companies are at the heart of society and have an impact on people and the environment in all kinds of ways.

People
Construction has a great impact on people, including by providing a safe and pleasant place to live and work and ensuring a sound infrastructure. The European construction sector employs approximately 12 million people.
A relatively large number of safety and health risks converge on construction sites, such as working at height and handling heavy construction materials. The number of accidents in the construction sector is relatively high compared to other sectors.

The environment
The activities required to manufacture, transport and use construction materials are a direct consequence of construction work and they generate a large amount of waste.
The European Environment Agency (EEA) differentiates between the following large waste streams within the European Union: manufacturing waste (26%), waste from mining and quarrying (29%), construction and demolition waste (22%) and municipal solid waste (14%).

•  Europe is making it compulsory for 70% of demolition and construction waste to be recycled by 2020. In the Netherlands, 95% of demolition and construction waste is recycled.

Energy requirements are relatively high in the built environment, particularly in the occupancy phase when consumers have increasing demands in terms of comfort.

20-20-20 European Union targets:
• 20% reduction in CO₂ emissions (compared to 1990).
• 20% of EU energy consumption from renewable sources.
• 20% reduction in the use of primary energy compared to expected levels through improved energy efficiency.

Added value
The economic importance of the construction sector in Europe is that it accounts for around 6% of the Gross Domestic Product. The sector provides 10% of the total number of jobs in Europe. Almost 50% of all investment in Europe is in the construction sector. In total, there are some 85,000 companies operating in the construction sector. For example in the Netherlands construction companies employ half a million people. Altogether, these companies generate a total turnover of €48 billion, meaning that the construction sector accounts for 8% of the Dutch Gross Domestic Product and is therefore one of the major industries in the Dutch economy.
(Source: Strategic Research Agenda for the European Construction Sector, European Construction Technology Platform (ECTP), December 2005).

0.3 Profile

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 and engineering and facility management sectors. The Group ranks among the largest construction companies in Europe.
BAM is the market leader in the Netherlands and has strong market positions in the United Kingdom, Ireland, Belgium and Germany. One of BAM’s prominent features is its widespread regional network of offices, meaning that the company is always 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. See page 1 for the key figures.
0.4 Organisation

<table>
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<th>Sector</th>
<th>Operating company</th>
<th>Active in this sector</th>
<th>Associated company</th>
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<td>Civil engineering</td>
<td>PPP</td>
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<td>Netherlands</td>
<td>BAM Utiliteitsbouw</td>
<td>BAM Civiel</td>
<td>Mechanical and electrical contracting</td>
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<td>BAM Properties</td>
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<td>Teboadin</td>
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<td></td>
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<td>Van Oord (21.5%)</td>
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* BAM Construction and BAM Properties are part of BAM Construct UK.
** BAM Building, BAM Property and BAM Civil are part of BAM Contractors.
1 Royal BAM Group

1.1 Activities

BAM constructs buildings and infrastructure such as homes, offices, schools, hospitals, shops and roads. With around 26,000 employees, BAM is responsible for the implementation of thousands of projects every year.

BAM’s corporate philosophy is to offer its customers value and to 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. The expertise of BAM’s employees is well known.

In principle, Royal BAM Group is prepared to carry out any construction project, provided it is based on carefully thought-out decisions supported by politicians and the public according to deep-rooted democratic principles. BAM sees no reason or possibility to consider the pros and cons based on its own assessment if society provides individuals and/or lobby groups with sufficient legal opportunities to test any objections to full or partial implementation of a construction project. In all other cases, we weigh up our involvement in projects on a case-by-case basis, focussing in particular on our own business principles and generally accepted guidelines drawn up by organisations such as the OECD and the World Bank.

Sectors and countries
The 2010 Annual Report describes the sectors and countries in which BAM operates, along with the risks and opportunities involved and the general developments and our position in the sector in question.

Acquisition of projects
Projects are usually acquired in a so-called ‘one-on-one’ relationship with the client or through a tendering procedure.

Contracts are awarded on the basis of price, expertise and financial ratios such as solvency. The tendering process for large, complex projects can be time-consuming and the cost can be as much as 1% to 2% of the total construction costs.

Subcontractors
Most projects are carried out by BAM operating companies in collaboration with our subcontractors. The work is managed from a large network of offices both in and outside the various home countries. Projects may also be carried out in collaboration with other construction companies (as part of a joint venture). Such joint ventures account for around 13% of BAM’s turnover. On average, 55% to 60% of turnover is outsourced to subcontractors. The value of the contracts involved runs into big numbers, which is why the Group prefers to enter into long-term working relationships with its subcontractors.

The formation of contracts
BAM signs a large number of major and small contracts every year. The four contract types below are the most common:
- build;
- design and build;
- design, build, operate and maintain, usually for between two and ten years (DBOM);
- design, build, finance, maintain and operate (DBFMO).

Where there is a build contract in place, BAM undertakes to complete a construction project for a specified price within a specified period. Where there is a design and build contract in place, BAM translates the client’s requirements into project specifications.

In the case of public-private partnerships (PPP), a public or semi-public client generally outsources the entire design, build, operate and maintain process, including arranging external project funding (DBFMO). These are often complex projects with a long period (e.g. 25 years) of operation and maintenance.

BAM derives a portion of its turnover from maintenance contracts for buildings and infrastructure. In the civil engineering sector, projects are increasingly made up of an implementation part and a maintenance part. These activities are included in the contract for PPP projects.
implementing sustainable solutions is more difficult in these circumstances because the approach is fragmented and the parties involved usually optimise their own part of the process.

BAM is an advocate of working with integrated contracts to ensure a better focus on sustainability, and a far more efficient construction process from start to finish.

Focusing on optimising the entire construction process rather than optimising parts of the process requires different forms of collaboration throughout the entire construction process supply chain. All the links are in place within the Group to facilitate this process.

BAM aims to be the specialist in sustainable construction. The Group is working very actively with third parties to develop expertise in this area. Work is in progress on a number of sustainability toolkits, for example. These toolkits comprise sustainable concepts in relation to energy, health and materials for building new housing and offices and renovating existing stock. AM is currently working on the toolkit for energy-neutral area development in the form of a manual describing the essential steps in sustainable area development, what the administrative, process-related and technical issues are, and what needs to change to achieve a true energy transition at the level of area development. These toolkits have been made publically available (see Appendix 9.2).

1.2 Sustainable construction

In BAM’s view, sustainable construction means creating a safe, healthy and comfortable living and working environment for the user. BAM’s starting point is that buildings and infrastructure should be future-proof and that natural resources should be used responsibly.

A large number of parties are involved in the construction process, including clients, consultants, suppliers and subcontractors.

Some of our activities involve in-house development and management of buildings and infrastructure through our property companies and through BAM PPP in the case of DBFMO projects. This role offers BAM the greatest opportunity to achieve sustainable products. In these cases, BAM directs the various phases of the entire construction process in close collaboration with all concerned. Sustainable solutions can be effectively integrated and optimised throughout the entire construction process.

BAM realises most of its turnover (approximately 90%) under contract to third parties and, as contractor, is responsible for (technical) preparations and construction. In this role, BAM advises clients about sustainable solutions. Here too, the sooner BAM is involved in the construction process, the more efficiently the entire construction process can progress. In practice,
The money you save by reducing excess consumption can be invested in sustainability measures which must then have a positive effect on more than just the environment so that you kill two birds with one stone.

My prediction for 2020 is that successful construction companies will only be able to stand out based on quality, which includes sustainability, rather than on price. If this aim is to be achieved, they need to take steps now. That means increased transparency in the supply chain, for example. Fortunately, we are already seeing this start to happen. A few years ago, I wouldn’t have thought it possible that the young professionals at BAM and other construction companies would have such open discussions with their managers.

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**Sustainability is the future**

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'Increased focus on existing housing stock'

‘Collaboration within a group such as BAM as well as throughout the entire construction process supply chain is absolutely crucial if the switch to a sustainable built environment is to be successful. The economic crisis is the ideal time to act in this regard, because change is necessary anyway, so why not make the move to sustainability immediately? More and more people are looking to reduce their dependence on energy, water and raw materials which are becoming increasingly scarce. Anyone who believes that the sector can continue as it was in the wake of this crisis will miss the boat. Competing on price is no longer the only way to go. Alternative business models – in part based on operating sustainably – are an absolute must if you want to be successful and stand out from the competition.’

Prof. Anke van Hal is Professor of Sustainable Housing Transformation in the Architecture Faculty at TU Delft and Professor of Sustainable Building and Development at Nyenrode Business University’s Center for Sustainability. BAM sponsors the chair at Nyenrode Business University. ‘Financial support from the business community is essential for a private university such as Nyenrode. It enables us to maintain our scientific depth. In exchange, BAM is among the first to gain access to newly-acquired knowledge.’

Van Hal: ‘Sustainability is not some hype that is going to blow over. Fortunately, more and more people are recognising the need for change. It is important within an organisation to give these innovators the scope to develop their ideas.’

**Current topics**

If BAM wants to be a leader in the switch to sustainable solutions, the professor believes the focus needs to be on a number of current topics such as making the existing housing stock more sustainable and tackling the issue of (i.e. finding a new use for) empty office space. ‘Even in the education sector, there is still too much focus on new build when it comes to sustainable construction, in spite of the large number of existing homes – including some built in the sixties and seventies – that are in need of attention. Companies capable of developing smart solutions to tackle this issue will increase their commercial opportunities.’

**Crucial step**

‘Collaborating in a smart way is a crucial step on the road to sustainability. It starts with managing the construction process. The money you save by reducing excess consumption can be invested in sustainability measures which must then have a positive effect on more than just the environment so that you kill two birds with one stone.

My prediction for 2020 is that successful construction companies will only be able to stand out based on quality, which includes sustainability, rather than on price. If this aim is to be achieved, they need to take steps now. That means increased transparency in the supply chain, for example. Fortunately, we are already seeing this start to happen. A few years ago, I wouldn’t have thought it possible that the young professionals at BAM and other construction companies would have such open discussions with their managers.’

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Anke van Hal

Prof. Anke van Hal (1965) is Professor of Sustainable Building at Nyenrode Business University’s Center for Sustainability and Professor of Sustainable Housing Transformation in the Architecture Faculty at TU Delft. At Nyenrode, she concentrates on how to integrate sustainable construction into the marketplace, while the current problems in relation to existing housing stock and neighbourhoods are her main focus in Delft. Before she became a professor, Van Hal ran her own consultancy which also specialised in creating a demand for sustainable construction. In addition to a technical background in architecture, she was also a journalist for many years, including ten years as editor-in-chief of the technical journal Puur Bouwen (‘Pure Construction’, which was previously called Duurzaam Bouwen (‘Sustainable Construction’) as well as three years as editor-in-chief of the consumer magazine Puur Wonen (‘Pure Housing’). Van Hal has written a large number of books and articles about her area of expertise and she is also a member of various working groups and committees.

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**Sustainability is the future**
1.3 Focus on sustainability in projects

BAM’s influence on sustainability during the construction phase depends on the role played by the company in the construction process.

Development phase
As indicated above, the scope for achieving sustainable products is greatest where BAM itself is the developer of buildings and infrastructure.

When multiple functions are integrated into buildings and areas, the total level of sustainability achieved can be greater than the sum of the parts.

Examples of such integrated concepts include the Zero-Emissions Road (where green sound barriers trap fine particles), cradle to cradle area development and energy from untreated groundwater being used to heat a swimming pool and provide a school with air conditioning.

The Group is also involved in the further development of energy-neutral buildings, energy-efficient asphalt (LEAB), Xbloc, dike pins, W&R Groenwoning (green homes), Ecobeach and other innovations (see Appendix 9.2). BAM is keen to continue the development of knowledge and experience in relation to green and low-CO₂-emissions construction materials over the years ahead and to work with customers, knowledge institutes and other innovative parties to put this knowledge and experience to the test.

Design phase
In its role as (technical) designer, BAM is able to offer sustainable solutions and demonstrate why they are sustainable. Through smarter design, the application of experience from various disciplines and sectors and an integrated approach, BAM can increase sustainability throughout the life cycle of a building.

It is generally the case that where BAM is able to influence the technical design, the Group’s scope to implement sustainable solutions is greatest. In these situations, BAM can take responsibility for a more sustainable execution. If operation is also part of the contract, BAM can use life-cycle costing to establish a good balance between investment and operating costs for sustainable solutions.

BAM ensures that occupancy costs are transparent so that the design can be energy-neutral. This transparency provides clients with insight into the revenue that can be achieved from sustainable designs.

BAM Utiliteitsbouw uses the GreenUp tool, for example, as a model to show sustainable alternatives in a concrete and measurable form in terms of both the sustainability score and the financial aspects. The GreenUp tool therefore shows the direction taken by the ambitions of the design and ensures that the property retains its value.

Tebodin uses value engineering to underpin sustainability in projects based on functional analyses.

BAM’s experience in practice is that energy management systems and automation (domotics) increase the comfort, safety and sustainability of the built environment. These aspects can also be included in the technical design phase.

BAM is increasingly preparing the construction process virtually, using Building Information Modelling (BIM). This simulation package improves construction efficiency and allows more accurate estimates of the materials needed. It also provides opportunities for improved collaboration with subcontractors and suppliers. BIM means that any design errors come to light in advance rather than on the construction site.

Construction phase
By preparing construction projects effectively, BAM avoids health and safety risks for employees and everyone associated with construction activities, including the general public. A sophisticated logistics system ensures minimum nuisance in the surrounding area. BAM focuses on the continued development of its employees’ expertise through the BAM Construction School (BAM Vakschool).

For construction companies, managing the building process and effective communication with all the parties involved are important in terms of sustaining the quality of the end product and maintaining the quality of life in the surrounding area at as high a level as possible during the construction process. BAM is one of the founders of the Conscious Constructors (‘Bewuste Bouwers’) hallmark which was officially launched in the Netherlands in April 2010 to mirror the British Considerate Constructors Scheme.

BAM has launched a range of initiatives designed to reduce energy consumption, restrict the volume of waste and ensure greater separation of waste prior to processing. In order to make CO₂ emissions more
transparent, the Project Carbon Calculator can be used to select alternative and more energy-efficient construction methods. The introduction within BAM of Lean construction at both the planning and the implementation phase means that – as a result of good co-ordination with the entire supply chain – transport, the volume of waste and the level of nuisance for the surrounding area will be minimised.

**Operation/maintenance phase**

Buildings usually have a long life cycle and the environmental impact is generally greatest during the occupancy phase. The design should take this into account.

With proper maintenance, current buildings can meet the energy standards of the future. The greatest energy saving potential can be achieved from current housing stock. While the Sustainable Residential Construction Toolkit focuses on new build, the Current Buildings Toolkit takes a more in-depth look at energy savings in current residential buildings. BAM has also made a major contribution to this toolkit. The increase in vacancy levels in inner cities requires creative solutions. The area concept builder TomorrowToday (www.tt-now.com) and BAM Utiliteitsbouw are in talks with municipal authorities about using existing spaces for different purposes.

**Summary:** focus on the user, life-cycle costing, new forms of collaboration and Lean construction are the keys to successful sustainable development.
1 Modulogreen®
2 Soccer City
3 Passive Houses
4 Headquarters of the Co-operative Group
5 Zero Emissions Road
6 SouterRain
7 GreenUp Tool
8 Renewable energy
2  Strategy and policy

2.1 Strategic agenda

BAM draws up a strategic agenda for each three-year period, which serves as a guide for management in the Group’s further development. At the beginning of 2010, BAM published its strategic agenda for 2010-2012. This strategic agenda was developed in close consultation with the operating companies’ management teams. The setting of priorities and the monitoring of objectives are also done in consultation with senior management.

BAM combines all its strengths in order to achieve its financial and sustainability objectives. BAM wants to offer shareholders a healthy profit that results in attractive dividends and increases the value of the shares. In its role as a total service provider in the construction process, BAM strives to achieve healthy growth of its activities in all its home markets from development through to facility management. To achieve this aim, BAM will develop new concepts or products in those segments with the growth potential for an energy-efficient living environment.

The Group’s policy is based on four pillars:
1. Expertise at all levels continues to be the basis for the primary process. BAM is steadily developing into an organisation of professionals. This means that creativity techniques, lean construction management and virtual construction will be applied.
2. All employees must be able to apply the knowledge and experience that are widely available within the Group in order to make BAM stronger. The Group’s potential (people, knowledge, expertise and equipment) must be utilised in full.
3. Human resources management will ensure the availability of sufficient expertise and the development of management potential at every level of the company. The focus will be on the development of skills and the expansion of knowledge, diversity in the workforce, and recruitment and selection.
4. The policy regarding corporate social responsibility will focus on promoting good health and safe working conditions throughout the entire construction process, reduction of BAM’s carbon footprint and waste processing.

Sustainability forms an integral part of the strategic agenda.

2.2 Stakeholders

BAM maintains regular contact with various stakeholder groups, in particular those in the financial world, potential clients and partners throughout the process supply chain, as well as knowledge institutes, non-governmental organisations (NGOs) and government bodies.

BAM employees maintain numerous contacts with various stakeholders and are in daily dialogue with their supply chain partners and the local community in relation to projects.

In 2010, BAM launched what is known as ‘multi-stakeholder dialogue’, as part of which several stakeholders such as clients, suppliers, the government and NGOs are all invited to give their vision with regard to the developments in sustainability, defining the relevance of these developments to BAM and advising on a possible approach. BAM has asked the Dutch Association of Investors for Sustainable Development (VBDO) to organise this multi-stakeholder dialogue on an annual basis on BAM’s behalf up to and including 2012.

Clients
BAM is in daily consultations with its clients and sustainability is increasingly a subject of these discussions. In addition, BAM organises client meetings to share knowledge and bring innovation to the supply chain. Various clients have developed their own sustainability benchmark, including ProRail with its CO2 performance ladder.

Employees
Our employees are key and all the operating companies have regular meetings to discuss sustainability issues and share knowledge. There are, of course, frequent discussions between managers and (groups of) employees. As part of the co-determination process, there is also regular consultation with the European Works Council (EWC).

Shareholders
Communication with investors – and with the financial world more generally – 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 2010, there were more than 25 roadmap days and more than 200 meetings. All dates and locations of roadshows, seminars and the like are published on the Royal BAM Group website.
Suppliers, subcontractors and co-makers
BAM’s procurement officers are in daily contact with suppliers, subcontractors and co-makers to discuss sustainable procurement (in particular the safety, health and environmental aspects of products and innovations). Last year, BAM completed a supplier evaluation in relation to sustainability. The results were discussed in January 2010 with the one hundred largest suppliers in the Netherlands. More details regarding those discussions can be found elsewhere in this Sustainability Report. This report also contains further information about a meeting with around sixty suppliers held in September 2010 at Nyenrode Business University on the subject of ‘The Green Construction Site’. The attendees exchanged experiences and ideas about how to make construction sites more sustainable. The initiators behind the meeting had organised an interactive programme to allow the participants to formulate their own ideas in creativity sessions – ideas which were then presented to a panel of experts. The panel chose ‘the smart cabine’ as the winning idea. The people who came up with the idea presented the cabine as a kind of notice board for the community. The principles of the passive house had been adapted for use in a sustainable construction site cabine that would also act as an information point to engage the local community.

Knowledge institutes
BAM works with research universities, universities of applied sciences and research institutes in relation to innovation and training opportunities and the Group has entered into various partnerships, including with TU Delft and Nyenrode Business University.
BAM has been supporting TU Delft since 2008 in a project to promote the strategic exchange of knowledge about and research into sustainable technological developments in construction. 2010 also saw BAM sign an education and research agreement in relation to the research areas of ‘Delta Technologies’, ‘Construction and Civil Engineering’ and ‘Transport’. Since 2009, BAM has been supporting fundamental and applied research conducted by Nyenrode Business University into sustainable innovation and development and BAM is consequently a prominent sponsor of the Nyenrode Center for Sustainability.

Other companies in the sector
BAM works with many different construction companies and sector organisations in the Group’s home countries, such as with the sector organisations Bouwend Nederland in the Netherlands and the Federation of British Industry in the United Kingdom. BAM considers it strategically important to monitor international developments in the world of construction and where possible to make a substantive contribution. Examples include ENCORD (European Network of Construction Companies for Research and Development) and ECTP (European Construction Technology Platform). Both these organisations are chaired by Prof. G.J. Maas, Royal BAM Group’s Director of Strategy. BAM employees also contribute to case studies, guidelines through working groups and workshops.

Government bodies
To deliver projects, BAM needs to be in constant contact with government bodies regarding the issuing of permits, regulations and supervision. In recent years, there has been increased influence from Europe and through the impact of international standards. BAM is regularly asked to share its knowledge of sustainable tendering. Prof. Maas has spoken to the European Parliament and the European Commission on behalf of the ECTP regarding research into how the construction sector can be made sustainable and more competitive by 2030.

NGOs
BAM signed a covenant in 2009 to lend its support to The Borneo Initiative which promotes sustainable forest management in Indonesia. In addition, BAM has had a covenant in place with FSC Netherlands since 2007 to stimulate responsible forestry by choosing FSC-certified wood.
Thinking about sustainable investment in the BAM Group? This has been an option since the summer of 2010 through one of Triodos Bank’s investment funds. Only companies performing better in terms of sustainability than other companies in the same sector are eligible for investment. They must also comply with the strict Triodos standards. At the Triodos office in Zeist – a sustainable building, of course – Ton Rennen, Sustainability Analyst, explains the research carried out before Royal BAM Group was admitted to the Triodos investment universe.

‘The assessment takes place in two stages’, explains Rennen. ‘In the first stage, we compare the company’s sustainability performance with that of its peers in the sector. We then examine three elements: corporate governance, social conduct and environmental conduct. These elements split into around eighty sub-headings, each weighted according to its individual importance. This ultimately results in an overall score and we then proceed with the top 50% in the sector. These companies are generally actively working on sustainability and communicate openly on the subject.’

‘Triodos is very strict in its assessments because our customers are interested in ‘conscious’ investment. In order to provide the opportunity for conscious investment, we carefully examine in the second stage whether the companies in the top 50% category comply with our criteria. BAM comes under the ‘Construction and Engineering’ sector where the main focal points are the formation of cartels, corruption, negative impact on the natural environment and environmental pollution. BAM passed the test, scoring above average for corporate governance and environment.’ What were the areas that could be improved? ‘Well, as market leader, BAM could play a more active role in sector initiatives to tackle environmental challenges, such as waste processing and reducing CO₂ emissions. These subjects also need to come into play when selecting, assisting and monitoring suppliers in order to ensure that they operate sustainably too.’

‘Contact with the sustainability experts at BAM went very smoothly. Our questions were immediately passed on further into the organisation. I have the impression that BAM makes very conscious choices in terms of operating sustainably. Things progress in phases, but still very thoroughly. BAM rightly regards sustainability as a business interest. The company is also open to discussion and prepared to admit weak points, which is an important precondition as it is a sign of open business operations.’

‘The thorough investigation into sustainable business operations showed that BAM scored highly, beating two-thirds of its global competitors. I wouldn’t be surprised to see BAM leading the pack in the future. Where will BAM be in 2020? Well, from a diversity point of view, it would be nice if the questions at the 2020 Annual General Meeting were addressed to ‘Madam Chairman’,’ says Rennen with a wink. ‘But let’s not forget about linking salary structures not only to economic performance, but also to sustainability performance. Also, to be an environmental leader by then, everything you build will have to be energy-neutral.’

Ton Rennen
Sustainability Analyst,
Triodos Bank

In 2009, the Financial Times declared Triodos Bank the world’s most sustainable bank. It is the mission of Triodos Bank to put its clients’ money to work to bring about positive social, ecological and cultural change. Triodos is the only bank that specialises in offering its clients the opportunity to invest in sustainable sectors in Europe through integrated loan and investment products. Triodos assesses a company’s sustainability performance in order to determine whether it can be added to the bank’s investment universe.

www.triodos.nl

‘BAM rightly regards sustainability as a business interest’
People:
Offer added value to clients, employees, business partners and the community.

1. Clients: We always do our utmost to exceed the client’s expectations.
We work in partnership with our clients to deliver high-end projects within the timescale set, both safely and with respect for the environment. We will encourage our clients to work with us in developing suitable sustainable solutions. We aim to be the preferred supplier for CO₂-neutral solutions.

2. The community: We promote good contacts with the local community.
By its very nature, our construction and renovation work has an impact on the local community, occupiers and other users of buildings and infrastructure, and society as a whole. We are therefore proactive in minimising the level of nuisance in the local environment and seek to make a positive contribution to the local community.

3. Employees: We believe in our employees.
We create a safe and inspiring environment for our employees to develop their skills, enabling them in turn to contribute to the further development and growth of our organisation. The commitment to our employees is demonstrated by:

- Health and safety – We consider health and safety to be a top priority for our company.
We are committed to the continual improvement of our performance in health and safety for all our employees and subcontractors and everyone involved with our activities, including the general public.

- Equality and diversity – We offer a challenging working environment where everyone feels valued and respected.
We are committed to the principle of equal opportunities and we ensure 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.

- Learning and development – We aim to create a learning culture and provide opportunities for our employees to fully apply their knowledge and skills in the service of the company. We will help our employees to continue their development in the interests of the company and its objectives.

2.3 Business principles

The social, environmental and economic aspects in the short and long term are weighed up whenever strategic decisions are taken. The BAM Business Principles are derived from the strategic agenda and form the basis for managing the Group’s corporate social responsibility.

The business principles are defined on the basis of public interest in dialogue with stakeholders, and based on BAM’s impact on these issues. The principles are reviewed annually during a stakeholders’ meeting. In 2010, the stakeholders indicated that they felt further clarification of the current principles was important. There was also a need to focus more explicitly on BAM’s responsibilities as regards its supply chain partners and its vision as to how sustainability and economic growth can go hand in hand. The business principles have been adjusted accordingly.

We build the facilities society needs, such as housing, hospitals, schools, retail areas, leisure and industrial facilities, transport facilities, utilities and infrastructure. When we create this built environment, we also have a responsibility to keep our impact on society and the natural environment to a minimum.

Royal BAM Group works closely with its employees, clients, suppliers and subcontractors on all aspects of corporate social responsibility. We seek to achieve a balance between the short and the long term interests, and to make economic, environmental and social considerations an integral part of our strategic decision-making. We aim for open dialogue with the parties that will be affected by our activities and we communicate in a timely and effective way with our external partners.

BAM is committed to being a responsible company. This means that we conduct our activities in accordance with the applicable ethical, professional and legal standards. We consider corruption, bribery and unfair competition to be unacceptable.
4. **Supply chain partners**: We procure responsibly. We treat our supply chain partners honestly and responsibly. We work with subcontractors and suppliers to ensure that they operate in a safe and environmentally-conscious way. Together with our preferred partners, we promote and develop sustainable solutions and best practice for the sector.

**Profit:**
**Creating economic value.**

8. **Innovation**: We innovate to identify balanced sustainable solutions.
Innovation is essential for our company’s development and to identify powerful sustainable solutions in the built environment.
Together with our partners in the supply chain from customers to subcontractors and suppliers, we will provide sustainable solutions in which economic, environmental and community interests are well balanced.
This approach ensures that we use materials efficiently and provide good value to our customers.

**Planet:**
**We recognise our responsibility to future generations.**

5. **Energy**: We strive to reduce our impact on climate change.
We will improve our energy efficiency, reduce our CO₂ emissions and work with our clients to develop CO₂-neutral solutions.

6. **Raw materials**: We are becoming more efficient in our use of materials.
We believe in reducing our impact on the supply of natural raw materials used in our products. We will work with our clients and suppliers to use alternative materials and methods in order to optimise the use of raw materials.
We also promote measures to recycle and restrict waste.

7. **Environment**: We will limit our environmental impact.
We take all possible reasonable measures to ensure that our activities are conducted in a way that minimises the impact on the local environment. We promote environmentally-friendly operations and seek opportunities to promote biodiversity on our construction sites.

9. **Prosperity**: We believe that sustainability results in economic value and we choose to create value by working on effective and profitable solutions for our shareholders that contribute to a sustainable future.

We believe that by applying these Business Principles, we create value for our shareholders, clients, employees and for society as a whole.
2.4 Focus on sustainability in business operations

The business principles are translated into Group policy and measurable results. At Group level, the Executive Board defines the sustainability policy in consultation with the management teams of the operating companies. These meetings with senior management are used to define sustainability issues and reach agreements in terms of prioritisation, objectives, monitoring and reporting.

Rules on safety, reducing CO₂ emissions and waste management, along with integrity, apply Group-wide to all operating companies. In addition to these key areas, the operating companies are free to add their own subjects too. For example, diversity, in particular with regard to increasing the number of women in the workforce, including in senior roles, is an issue in the Netherlands especially, whereas the British operating companies are more focused on community engagement.

Each operating company has a management team member who is responsible for sustainability. The operating companies report their progress to the Executive Board as well as details of actions taken to implement the business principles and their contribution to the Group’s objectives. The operating companies interpret the Group’s objectives. The sharing of experiences (best practices) is central to this process.

The issue of sustainability is part of how managers and employees do their jobs. The issue is addressed, for example, through regular work discussions and performance reviews.
Sustainability employees meet regularly to exchange experiences. BAM also calls in technical specialists who work for the Group and stakeholders from outside the Group are often invited to attend these meetings as well. In 2010, we started to hold national meetings to share best practices and knowledge within the Group. One example was the meeting concerning the ‘green construction site’ at Nyenrode Business University.

To ensure continuous improvement, it is important to understand the impact of our activities and to measure these effects. In addition to the reports on issues such as safety and human resources, which have existed for some time, BAM introduced an integrated reporting system for waste and CO₂ in 2009. This reporting system is continually being improved based on increasing insight within the operating companies and through consultation with internal and external parties. The information in this sustainability report was gathered based on statements from the operating companies and in-house documentation. The operating companies report on the indicators every quarter so that any necessary adjustments can be implemented in good time. BAM is continuously seeking ways to improve reporting and draw up better key figures for sustainability in projects. Transparency in this respect improves insight, both in-house and outside the Group.

BAM reports the demands made on stakeholders under each business principle in the annual sustainability report. More information about the demands can also be found on BAM’s website at www.bam.eu under ‘CSR’, including at the BAM CO₂ Desk.

2.5 Objectives for 2020

In its strategic agenda, BAM explicitly focuses on corporate social responsibility by setting itself the objective of developing and implementing KPIs for healthy and safe working conditions, CO₂ emissions and waste.

In order to relate to day-to-day activities and so that progress can be monitored, the strategic agenda has been further expanded to include specific objectives for each business principle. These objectives are assessed annually by the Executive Board, and tightened where necessary.
3 People: Offer added value to clients, employees, business partners and the community.

3.1 Clients: We always do our utmost to exceed the client’s expectations.

We work in partnership with our clients to deliver high-end projects within the timescale set, both safely and with respect for the environment. We will encourage our clients to work with us in developing sustainable solutions. We aim to be the preferred supplier for CO₂-neutral solutions.

Policy
In a company which attaches added value to quality of life, it is important to have good insight into customers’ requirements. Building in a customer-focused way is important to BAM because it brings the opportunity to work with customers and co-makers to create an end product that exceeds the customer’s and, more importantly the user’s wishes.

It is very important that the Group is involved in every phase of the construction process in order to achieve the most sustainable solution possible. Furthermore, close collaboration with the various supply chain partners is vitally important to the successful completion of projects.

Outcomes of the 2010 objectives
1. Further implementation of co-makership in cooperation with supply chain partners.
2. Organising KPI-related customer satisfaction surveys and setting quantity objectives.

A number of initiatives were launched in 2010 with regard to cooperation throughout the supply chain. Work also began on drawing up customer satisfaction surveys. This work will continue in 2011. A number of operating companies have recorded in the quality system that customer satisfaction surveys are carried out to check whether expectations have been met.

Objectives for 2011
- Further implement co-makership in cooperation with supply chain partners.
- Start the structured customer satisfaction survey of one hundred customers.
- Intensify the offering of sustainable options to customers.

Case studies

Solar panels to supply a building’s own energy needs
The Montgomery School in Exeter will be the first CO₂-neutral school in the United Kingdom. The school will have 1,300 m² of solar panels to enable it to meet its own energy needs. When the school is not in use, during the holidays for example, the energy generated will be supplied to the mains electricity grid. This project is a success thanks to the excellent exchange of knowledge regarding technology and innovations between various operating companies. BAM Deutschland supplied knowledge and experience of the ‘passive house concept’, as did AM. A visit by the project team to the Columbus Quarter in Almere in the Netherlands, where AM and BAM Woningbouw built 103 passive houses, gave employees from BAM Construct UK enough guidance to successfully complete the project in Exeter.

Smart and fast approach reduces nuisance
The widening of the A12 Utrecht-Lunetten to Veenendaal stretch of motorway in the Netherlands is a DBFM project. BAM will maintain this stretch of road for 20 years. The contract was awarded to Poort van Bunnik, a consortium consisting of BAM PPP, BAM Civiel, BAM Infratechniek, BAM Wegen and BAM Infrconsult. Construction work is expected to start in early 2011 and last for more than two years. The nuisance suffered by road users and by the local community will be limited, partly because of the relatively short implementation period.

Creative solutions for vacancy levels
The increase in vacancy levels in inner cities requires creative solutions. The area concept builder TomorrowToday and BAM Utiliteitsbouw have therefore joined forces to transform vacant buildings into living environments. This concept allows an existing empty property to be converted into a complete solution for sleeping, care provision, working, washing and cooking within a day. The concept is suitable for various different functions or combinations of functions.

W&R Green Home
The W&R Green Home (W&R-Groenwoning) was developed primarily to allow housing consumers to benefit from a high level of comfort with remarkably low energy costs. The W&R Green Home builds on the successful W&R formula, the key aspect of which is working with co-makers to optimise processes based on a reference home.
Impression of the Zero-Emissions Road.
BAM civil engineering companies.

The result is clarity, security – including about the price and planning – reduced costs, fewer errors, a short development time and an exceptional price/quality ratio.

The W&R Green Home already complies with the energy performance standards due to take effect from 2015, including no (heat recovery) equipment which is susceptible to breakdowns and is based fully on tried and tested technologies. The W&R Green Home offers more: permanently low living costs, sustainable living comfort and value development. The W&R Green Home concept can be applied to both owner-occupied and rental properties.

The optimum balance between the insulation shell, technology and construction costs results in an EPC (Energy Performance Coefficient) of 0.32 (end of terrace 0.35), thereby reducing the use of fossil fuels and limiting CO₂ emissions. This is substantially ahead of EPC for residential construction which was reduced from 0.8 to 0.6 with effect from 1 January 2011.

Zero-Emissions Road

BAM’s civil engineering companies have developed a large number of innovative solutions in order to make road building and the resulting traffic flow greener, quieter and cleaner. These innovative solutions reduce noise, energy consumption, flooding, and water, light and air pollution. When deployed in combination, these solutions provide added value.

‘The Zero-Emissions Road’ is the result of combining fourteen innovative products and technologies to build roads and improve road surfaces. BAM coined the name because these roads neutralise their own emissions. A variation on this theme is the technique of making roads greener by integrating the planting of trees and bushes into the design for the road and the local environment. A healthy green structure along the side of the road is crucial to provide wind shelter zones to reduce the demand for energy in and around buildings, further reduce noise levels and improve air quality.
The Directorate-General for Public Works and Water Management (RWS) is a governmental implementing service that operates on three national networks: roads, waterways and primary surface waters. RWS ensures that these networks are available, function properly and protect us as intended. Against a backdrop overlooking the A12, Cees Brandsen, Chief Engineer-Director at RWS, explains the sustainability work being carried out by RWS and its partnership with BAM.

‘RWS is well aware that sustainable enterprise is one of the pillars for change towards a better society. Everything has to be cleaner and better. At the same time, however, sustainable enterprise also presents us with a dilemma, because everything has to be robust, safe and sustainable at the same time. In many cases, that combination is more expensive if solutions are devised and calculations performed using traditional models. What is the short-term gain? We have the long-term objective of marketing zero-energy concepts.

**DuboCalc**

Two years ago, a working group called ‘Sustainability and Safety’ was set up to boost sustainable business. RWS is part of the Ministry of Infrastructure and the Environment. All government ministries have been obliged to procure only one hundred percent sustainable products and services since January 2010, which is why a computer program called ‘DuboCalc’ was introduced to calculate the environmental impact of the materials and energy used in infrastructure projects. Contractors are therefore challenged to include sustainability when they tender for projects. The initial pilots indicate that DuboCalc is not yet producing fundamental changes, partly because the conditions set by the customer are often too specific that contractors have little room for manoeuvre to allow them to opt for sustainable alternatives. We are therefore continuing the development of this instrument.

**A12**

RWS has tested DuboCalc in three pilots, including the A12 motorway project (widening the Utrecht-Veenendaal stretch of the A12). BAM took part in the pilots and won the A12 contract. The BAM team clearly stood out from the competition by including smart phasing and experience gained from other projects in its bid for this project. The team is also very involved with the project.

**Making changes together**

BAM combines good sustainability performance with excellent quality. Although the solutions are sometimes very innovative, they can also be very old-fashioned. RWS wants a greater input of ideas regarding best value procurement, once again proving that change is something you do together. BAM is open to this approach and is actively offering ideas. You don’t achieve much with only small changes. BAM is an outfit where people like to roll up their sleeves and get down to ‘good, honest hard work’, and we’re very similar at RWS. I can sometimes detect a change in mentality already at BAM, but there’s still a way to go yet. Real change requires a major shift in your way of thinking.

**Safety**

We work to a high level of safety at RWS and I’m very proud of that, but safety awareness should be in our genes. The awareness in projects has increased sharply, because the preparation and implementation of projects is now safer, without the traffic flow suffering that much. Working safely and responding proactively are now the benchmark. The market is also pleased with what’s been achieved. Change costs money to begin with – a lot of money and effort is required to properly direct the traffic – but in the end we manage both to work safely and to limit the amount of ‘rush hour disruption time’, which ends up saving a lot of money.'
3.2 Community: We promote good contacts with the local community.

By its very nature, our construction and renovation work has an impact on the local community, occupiers and other users of buildings and infrastructure, and society as a whole. We are therefore proactive in minimising the level of nuisance in the local environment and seek to make a positive contribution to the local community.

Policy

BAM is in the midst of society and assumes its responsibility to further develop sustainability. This requires a constant focus on everything done by BAM to control the effects of its activities.

The Group’s operating companies work primarily out of regional offices, which means that they are close to their customers. It also means that their employees are highly committed to projects in their own living environment. BAM encourages its employees to report social, cultural, sporting and educational initiatives which the Group undertakes or supports.

Outcomes of the 2010 objectives

• Roll-out of the Conscious Constructors hallmark for construction sites;
• Further development of broad community engagement policy.

Implementation of the Conscious Constructors hallmark

The Conscious Constructors Foundation was launched in the Netherlands in 2009 with BAM as one of the founders. The first hallmarks were awarded in 2010. BAM was awarded the hallmark for the construction of JuBi, the new premises for the Ministry of Justice and the Ministry of Internal Affairs and Kingdom Relations in The Hague. The hallmark fosters good communication with the local community and highlights professionalism on building sites. BAM will continue to apply for specified building sites to receive the hallmark in 2011.

The Conscious Constructors hallmark is based on the success of the Considerate Construction Scheme (CCS). Both BAM Construct UK and BAM Nuttall are associate members of the Considerate Construction Scheme. Construction sites registered under the CCS scheme are monitored to ensure that they continue to comply with the ‘Code of Considerate Practice’ developed to promote good practice going beyond the legal requirements.

Further develop community engagement

BAM Construct UK received the ‘Work Inspiration Award’ for its ‘Ready Steady Work Experience’ programme. The aim of this programme is to give the unemployed the right guidance to help them into the labour market. Helping them through the interview process, for example, increases their chances of finding a job.

In addition, the ‘Ready Steady Work Experience’ programme provides students with opportunities to familiarise themselves with the construction sector, as well as providing temporary work placements. Students were invited to take part in an interactive day where, with the help of young BAM professionals, they learned more about their career opportunities. They also attended a series of practical lessons on presentation techniques and applying for jobs. At the close of the day, fifteen students were offered a two-week contract to work at BAM. This programme, designed to support students and the unemployed in their search for a job, will continue in 2011.

Objectives for 2011

• Further develop community engagement;
• Register at least fifty projects for the Conscious Constructors hallmark.
designed to teach them more about the basic principles of technology and construction.

Construction Day
On this annual open day, organised by the Dutch sector organisation Bouwend Nederland and its member construction companies, building firms open up their most impressive, largest or most complex projects to the public. In 2010, BAM opened 21 construction and civil engineering projects for public viewing. Everyone was welcome to take a look behind the scenes: local residents, passers-by, occupiers and users as well as our own BAM employees and their families. Visitors had the opportunity to find out about the positive aspects and social significance of construction.

BAM provides support in Africa
BAM has been involved in development projects in Kenya and Ghana for many years. In cooperation with Habitat for Humanity, BAM Woningbouw organises an annual construction expedition to Ghana. In the course of the last three years, BAM Woningbouw has helped to build fifteen homes in the village of Kyekyewere. Habitat for Humanity aims to combat poverty in a way that is both sustainable and long-term. In 2010, a total of 32 BAM employees voluntarily took part in new projects.

For over 10 years, BAM Techniek has been demonstrating its social commitment by sponsoring training projects in Kenya. The company’s business associates also contribute to this targeted form of development aid by donating the value of the end-of-year gift to the ‘BAM Techniek Helps Kenya’ foundation. Construction projects sponsored by

The average CCS score of BAM Construct UK and BAM Nuttall is higher than the average for the UK construction sector. BAM Nuttall aims to register 80% of its own construction sites under the CCS scheme.
• Work involving undue risks to health and safety is not permitted and control measures must be applied to reduce the risks to an acceptable level;
• The management team of each operating company is responsible for implementing BAM’s health and safety policy within the organisation;
• Permanent and systematic improvements form an integral part of the health and safety management system of each operating company;
• BAM employees do not give any unsafe orders and refuse to follow any unsafe orders from third parties.

A healthy and safe working environment is key for BAM. BAM expects all its employees to be fully committed to health and safety at work. A proactive attitude and calling people to account for their behaviour have a preventive effect, whether in our offices, on the road, with clients or on our construction sites. BAM employees actively contribute to the improvement of safety at all levels. BAM’s policy is geared to performing all activities in such a way as to avoid any form of personal injury or damage to health. This policy is the basis for the Group Health and Safety Management Guidelines which apply to all the operating companies.

Outcomes of the 2010 objectives

• Organise a BAM-wide safety day for in-house employees and supply chain partners;
• Improve the operating companies’ safety results where the companies have below-average Safety Awareness Audits (SAA) and an above-average incident factor (IF).

BAM-wide safety day
2009 was the first year when the number of accidents at BAM failed to decrease. This development was unacceptable to BAM and so the Executive Board declared 19 October 2010 ‘Worldwide BAM Safety Day’. The aim of the BAM Safety Day was to achieve a sharp reduction in the number of accidents in the years ahead, partly by increasing awareness of BAM’s safety policy.

BAM Techniek now include four primary schools, two technical schools, an orphanage, a medical outpost, two secondary schools and a university of applied sciences. There is a special focus on orphaned girls.

3.3 Employees: We believe in our employees.

We create a safe and inspiring environment, in which our employees can develop their skills, enabling them in turn to contribute to the further development and growth of our organisation. The commitment to our employees is demonstrated in: (1) Health and safety, (2) Equality and diversity, (3) Learning and development.

3.3.1 Health and safety

We consider health and safety to be a key priority for our business. We are committed to the continual improvement of our performance in health and safety for all our employees and subcontractors and everyone involved with our activities, including the general public.

Policy

The desire to excel in all aspects of health and safety is an integral part of BAM’s efforts to rank among the most successful companies. BAM’s operating companies apply comprehensive safety management systems (see Appendix 9.3) and work continuously on the further development of these systems, conscious of the need to improve BAM’s health and safety performance on an ongoing basis.

The Executive Board has set out a number of key points designed to improve safety performance:

• Industrial accidents, industrial disability and health complaints as a consequence of work are avoidable;
• Personal injury and harm to health, the environment and property can be prevented;

Falling hazard sign.
On the day itself, all managers visited projects to explain BAM’s safety policy to BAM employees as well as to employees working for its construction partners and subcontractors. BAM employees from its various offices were also involved in the initiative by means of presentations.

The fact that the day was international and organised in collaboration with a large number of supply chain partners ensured that this project was a resounding success. The openness with which experiences were shared demonstrates the extent to which BAM employees and supply chain partners are committed to safety. One major conclusion from the day was that safe working is largely in the hands of the employees themselves, but that cooperation from other parties in the workplace is needed. Safety may begin with you, ‘But’, as one BAM employee put it, ‘I certainly hope that others also feel responsible for my safety, just as I feel responsible for theirs.’

**Improve safety results**

The internal benchmarks used by the BAM operating companies indicate which ones achieve above-average performance and which ones are lagging behind. Presenting this internal comparison gives the below-average companies an extra incentive to improve. Regular discussions between the Executive Board and the management teams focus in particular on actions and measures designed to deliver improvements. Furthermore, there is an exchange of good examples and practices which may be adopted, while respecting cultural differences between companies and countries. The positive effects of these efforts have been most evident in the Belgian companies.

**Safety Awareness Audits**

Safety Awareness Audits (SAAs) are performed annually at all operating companies working on construction projects. These BAM SAAs are an evaluation system developed in-house and involve a systematic examination of the operating companies’ safety performance to determine the extent and the quality of control applied by the management. Not only is adherence to the BAM Guidelines on Safety Management assessed, but also to what extent compliance is an integral part of the corporate culture. In order to highlight the importance of safety, a high level of safety awareness is awarded a positive score.

Each company is awarded a score on a scale from 0 to 100. The report on the audit results always includes recommendations for further improvements, even where no shortcomings compared to the BAM Guidelines are found. The average of all the audit results provides a picture of safety performance within the BAM Group as a whole. The results of these SAAs reveal a steady increase in awareness among BAM employees.
We deeply regret the sad loss of one BAM employee in 2010 (2009: 0) as a result of an industrial accident. Unfortunately, a total of 64 BAM employees suffered serious injuries in industrial accidents during the year.

Incident Factor (IF)
As well as recording the absolute numbers of industrial accidents, BAM also calculates the incident factor (IF) to indicate the relationship between the accidents and the number of hours worked. The Incident Factor (IF) (derived from Incident Frequency) is an indicator which is used to establish an organisation’s actual safety performance. In the absence of an internationally recognised indicator, BAM has introduced its own definition which the operating companies can use to compare their performances.

While the SAA score gives an indication as to the extent to which risks and hazards are managed, the BAM IF can be seen as the result of the effort put in. The IF for BAM as a Group is determined by the total number of industrial accidents leading to absence from work, divided by the total number of hours worked on construction sites.

BAM’s efforts focus on registering both BAM employees as well as workers who have been hired from other companies or who are employed by subcontractors. An attempt is also made to differentiate between construction sites where BAM is the main contractor and construction sites where other companies are involved as partners or associate contractors. Given the complexity of acquiring and recording data from other companies, the BAM IF for BAM employees is currently the only sufficiently reliable source of management information.
Objectives for 2015

• Improve the operating companies’ safety results where the companies have below-average SAA (Safety Awareness Audit) scores and an above-average incident factor (IF);
• Focus more on near-misses;
• Organise an annual BAM-wide safety day for in-house employees and supply chain partners;
• Work with the European construction sector to ensure that safety performance is measurable throughout the entire supply chain.

Case studies

Safety in training: How BAM works
BAM has developed a course called ‘How BAM works’ addressing in detail the topics of expertise, quality, safety, innovation and communication in detail. The training course was created in part as a result of the safety objectives formulated in 2009.

Tebodin safety game
When creating its QHSE game, Tebodin started from the premise that people playing the game would at the same time learn to make the right decisions. Human behaviour and culture are important factors in the working environment. The behaviour and culture of employees influence the choices made during day-to-day activities. Based on the experience accumulated in Tebodin projects worldwide, the game forces players to make choices that may have an impact on quality, health, safety and the environment.

Beyond Zero
As part of its Beyond Zero safety programme, BAM Nuttall has introduced safety cards to record near-misses. There was a need for a fast, simple and accessible method for construction site workers to report near-misses. The cards can be completed and filed by anyone. Following the introduction of these cards, the number of reports of near-misses increased from 1,600 in 2009 to 2,600 in 2010. The success of the cards has not escaped the notice of other BAM companies either and the system will be applied on various construction sites.

Safety award for BAM Infratechniek
For three years now, Enexis (the energy network manager) has been giving the ‘Contractor Safety Award’ to construction companies who’s safety performance is outstanding. Three construction companies are nominated each year. Following nominations in 2008 and 2009, BAM Infratechniek was again nominated in 2010 and this time the operating company successfully scooped the award.

New safety board in the site cabine
BAM has put an AED (automatic external defibrillator) on the new safety board in the site cabine. Provided by BAM Materieel, the board also has space for a fire extinguisher, a fire blanket and a first aid kit, as well as breathing masks, a sticking plaster dispenser and eye-wash.

Shifting the focus on safety
BAM Construct UK, like all of BAM’s other operating companies, places great emphasis on safety. Since the government report ‘Revitalising Health and Safety’ was published in 2000, BAM Construct UK has managed to reduce the number of accidents over the past ten years by 65% more than the national objective. In 2010, BAM Construct UK amended its safety policy. Instead of setting objectives to keep accidents below a minimum, the emphasis in the new policy is on achieving a zero harm working environment which does not pose any hazards.
3.3.2 Equality and diversity

We offer an interesting working environment where everyone feels valued and respected. We are committed to the principle of equal opportunities and we ensure 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.

Policy

BAM’s aim is to mirror society, and to achieve this aim, the Group endeavours to promote diversity within the organisation. A diverse employee base also provides the assurance that the organisation can effectively identify with the wishes and expectations of its customers and wider society.

In addition, we know from experience that mixed teams work more effectively. BAM therefore applies an active diversity policy. In the Netherlands, where there are traditionally fewer women in the workforce, BAM is focusing on increasing the number of women in the organisation. Women are typically under-represented in the construction sector and fewer of them make it into senior positions. The recruitment of young people and offering alternative work for the partially disabled are also key focus areas.

Outcomes of the 2010 objectives

- Introduction of KPIs and objectives: a minimum of 15% of the intake and a maximum of 5% of people leaving the company to be female.

BAM has continued full steam ahead with its diversity programme. In 2010, BAM announced that Ms C.M.C. Mahieu had been nominated for a vacant position on the Supervisory Board, subject to approval by the General Meeting on 20 April 2011. She will then become the first female member of the BAM Supervisory Board.

The outcomes from the objectives do not yet do justice to the effort put in by BAM in relation to diversity.

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United Kingdom 2010

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Germany 2010

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Belgium 2010

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Ireland 2010

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Worldwide 2010

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<tbody>
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<td>Operational staff</td>
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<td>10%</td>
</tr>
<tr>
<td>Middle management</td>
<td>7%</td>
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</tr>
<tr>
<td>Senior management</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>89%</td>
<td>11%</td>
</tr>
<tr>
<td>Change In</td>
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<td>24.7%</td>
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<tr>
<td>Change Out</td>
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<td>25.5%</td>
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Objectives for 2011

- A minimum of 15% of the intake and a maximum of 5% of people leaving the company to be female;
- Further improve HR reports.

Case studies

Active reintegration of partially disabled employees

BAM is active in attempting to find alternative positions in the organisation for employees who are partially disabled. These attempts have been successful in recent years. If no suitable position can be found, however, BAM actively looks for redeployment opportunities outside the Group. BAM Utiliteitsbouw, for example, hires the services of a reintegration agency and makes a training budget available for the employee in question. In addition to reintegrating its own staff, BAM Utiliteitsbouw also runs a programme to give the unemployed and the partially disabled the chance to reinte grate.

BAM Gender Diversity Programme

As part of the BAM Gender Diversity Programme, the BAM Business School has been organising diversity training and workshops since 2009. In 2009, the Executive Board and the board chairmen from the Dutch operating companies attended the first Diversity and Leadership workshop. More than two hundred other managers attended similar workshops since then. In 2010, the rollout continued with an additional two programmes: BAM Circle and the BAM Female Empowerment Programme.

- BAM Circle
  A group of women from various BAM companies and two mentors from the senior management team embarked on the ‘BAM Circle’ (the BAM mentoring/peer-review programme) covering specific topics such as career planning, ambition and work-life balance. The programme comprised four meetings. One of the conclusions drawn from the evaluation of the programme was that it is very important to share each other’s experiences and expand your personal network.

- BAM Female Empowerment Programme
  The BAM Female Empowerment Programme was developed to promote the flow of women into more senior positions, in part by making them more aware of their ambitions, genuine styles of exerting influence and choices at different stages of life. Furthermore, the programme focuses on the impact of the BAM culture on career choices, personal profiling, strategic/political actions and negotiation.

Female Capital BAM

Established in 2008, the BAM women’s network, Female Capital BAM, organised its second FC BAM Conference in 2010. The objective of this conference was to make clear in an inspirational and motivational way where BAM stands in relation to diversity, where the Group is heading and what it is doing to get there. The FC Trophy was also awarded during the conference. FC BAM will continue to implement initiatives in the years ahead to expand the women’s network. Over the past two years a number of operating companies have taken initiatives and devised actions to appoint more women in senior positions.

3.3.3 Learning and development

We aim to create a learning culture and provide opportunities for our employees to fully utilise their knowledge and skills in the service of the company. We will help our employees to continue their development in the interests of the company and its business objectives.

Policy

The employees’ personal development activities are based on learning and development plans. Various instruments, such as the Career Navigator, are used in this process. BAM works with universities as well as its own training centres, BAM Construction School (BAM
Vakschool) and BAM Business School, to ensure that it offers high-quality training.

Topics such as enterprise, creativity, safety awareness, sustainability and diversity are common themes in the training courses. New courses are under development to ensure that the programme is as closely aligned as possible with the strategic agenda 2010-2012. The courses are designed to promote synergy between business units and focus extensively on partnerships between the different disciplines. Opportunities offered by symposia, working groups, newsletters and the intranet are increasingly being used to exchange knowledge and share best practice. As a result, the best practice of one operating company can be repeated in other Group companies, therefore creating immediate added value for the Group.

In 2010, various parts of the Group started to survey employee satisfaction. By doing so, BAM is able to establish how the employees feel about their responsibilities and development opportunities, how involved they are in corporate objectives and the extent to which they are inspired to achieve these objectives. It is the aim of the whole Group to conduct these surveys on a regular basis.

Outcomes of the 2010 objectives

- Inclusion of corporate social responsibility in BAM training courses;
- Greater focus on developing BAM employees’ commercial skills.

Inclusion of corporate social responsibility in BAM training courses

BAM has two in-house training centres: BAM Construction School (BAM Vakschool) and BAM Business School. Sustainability is a key part of the training courses at both centres.

Developing commercial skills

In addition to focusing on sustainability in its training courses, BAM Business School offers nine courses on commercial skills such as commercial negotiating, a networking workshop, and a course on presentation skills.

Objectives for 2011

- Further integrate safety and sustainability into training courses, including a new ‘CSR for Controllers’ course;
- Develop a ‘Lean Construction and Planning’ course and a ‘Virtual Construction’ course;
- Continue the BAM Gender Diversity Programme;
- Implement policy on employee satisfaction surveys.

Case studies

BAM Construction School

The number of participants taking BAM Construction School courses increased from 880 to 3,747 in 2010. Much of this growth was due to the ‘How BAM Works’ programme in which participants are introduced to the full range of corporate social responsibility activities implemented by BAM, and BAM’s core values developed to achieve BAM’s aims in this area. Participants are made aware of their responsibility to apply the core values as effectively as possible in their day-to-day work. With a greater awareness of their responsibility and different ways of communicating and working together, workers on construction sites can contribute to the company’s aspirations.

A total of 133 meetings were held as well as practical training sessions, themed days and workshops. The themed days organised by BAM Utiliteitsbouw and BAM Woningbouw were particular highlights, focussing on the application of BAM’s core values by construction site workers.
During the year, BAM Woningbouw also organised a joint In-House Emergency Officers day attended by 791 people, and BAM Utiliteitsbouw arranged a day for managers about how to deal with the issue of safety on construction sites. In addition to internal meetings such as the BAM Procurement Day 2010 and the BAM Utiliteitsbouw Management Day, BAM Construction School was also used to provide additional training for bodies such as the Labour Inspectorate on new technologies and applications in the equipment field.

*BAM Business School*

BAM Business School aims to achieve optimum returns on investment by means of practical training courses. It therefore further embeds the substance of its courses in the participant’s work experience, e.g. by adding reflective reports and assignments to the training programme. This increase in quality means that a recognised higher vocational (‘HBO’) module certificate in Business Administration can be obtained.

Sustainability and commercial skills are key subjects in the BAM Introduction Course which was taken by 42 employees in 2010.

Participants on the BAM Business Management course researched all of the Group’s sustainability activities. In the commercial field, BAM Business School collaborated with the BAM Female Capital women’s network to host a Networking Workshop. The aim of the workshop was to help participants strengthen their personal networks by making them more aware of the commercial benefits.

Procurement training courses began with the aim of making BAM buyers more professional in their work. Subjects such as contractual knowledge, category sourcing and procurement ethics are covered during these courses.

Finally, tender managers were trained as facilitators to ensure that they develop skills in working with creativity techniques. They can use these techniques effectively during meetings with their own team to make project tender submissions more successful.
BAM Nuttall Academy

The BAM Nuttall Academy is an in-house training centre for all BAM Nuttall employees. The Academy offers courses to develop and expand employees’ knowledge and are continuously assessed for their effectiveness. The Academy also helps new employees by familiarising them with the organisation through intensive support and by means of an e-book. In 2010, BAM Nuttall employees received on average 7.5 days of training (2009: 6 days). This corresponds to an investment in training of £7.6 million (2009: £4.8 million). The BAM Nuttall Academy will continue the training programme in 2011.

Safety training courses organised in 2010 included:
• ‘Focus on Safety’ workshops for project managers and building site managers. The programme concluded with a workshop for Heads of Production during which occupational health and safety actions for 2010 and beyond were agreed;
• ‘Safety Management in Practice’ training for supervisors was developed in early 2010 and the training was given to 150 supervisors during the second half of the year.

3.4 Supply chain partners: We procure responsibly.

We treat our supply chain partners honestly and responsibly. We work with subcontractors and suppliers to ensure that they operate in a safe and environmentally-conscious way. Together with our preferred partners, we promote and develop sustainable solutions and best practice for the sector.

Policy

Subcontractors, suppliers and co-makers play an important role in BAM’s processes. BAM focuses primarily on the following factors in its dealings with these organisations:
• Reducing total costs;
• Reducing overall risk;
• Management of working capital;
• Value creation.

BAM strives to make sustainability an integral part of its procurement process. To achieve this aim, BAM seeks to build long-term relationships with its suppliers and subcontractors, focusing on integrating sustainability into the supply chain, safety, reducing the Group’s carbon footprint and on reducing waste. The Group has developed tools to help it achieve these aims. One example is the carbon assessment tool which is made available to suppliers, subcontractors and co-makers through the BAM CO2 desk so that they can calculate their CO₂ emissions. The tool can also be used when drawing up proposals for reducing CO₂ emissions. BAM took this initiative following a BAM suppliers’ symposium.

A large part of Group-wide procurement activities relates to subcontracting, material purchasing and facilities management. Frequently used materials include concrete, steel, plastics, wood, copper and bitumen.

Purchasing is handled centrally for a number of specific procurement categories, such as IT, facility management and vehicle fleet (see page 52 for more detail).

Operating companies purchase project-related items at regional level. BAM is working on expanding future agreements at both operating company and Group level.
Various topics are also initiated and promoted centrally. The use of FSC wood is one example. FSC wood is used wherever possible on BAM’s own development projects in the Netherlands and is actively promoted on projects carried out under contract for third party clients.

Turnover per purchasing category depends on the type and phase of our projects. In 2010, the top five BAM categories in terms of turnover in the Netherlands were as follows: general turnover from contractors, mechanical engineering, road surfacing, groundwork and hiring out construction personnel.

Outcomes of the 2010 objectives

- Work with supply chain partners to introduce a mutual sustainability declaration;
- Stimulate data reporting among construction partners.

Introduction a mutual sustainability declaration

BAM has signed a covenant with FSC Netherlands, under which BAM states that it will endeavour to use only FSC-certified wood in the Netherlands in order to support forest conservation and biodiversity.

Part of the agreement involves monitoring how much of the total amount of wood purchased is certified. During the year, BAM approached the top 34 Dutch suppliers of products which may contain wood to ask them to opt for FSC. These suppliers account for more than 86% of the wood BAM procures. Twelve of the suppliers were able to provide sufficient information regarding the amount of FSC wood they delivered.

The figures reported for 2010 indicate that, to the extent measurable, approximately 28% of the wood supplied to BAM bore an FSC label, compared to 17% in 2009.

BAM’s experience is that it is difficult for suppliers to provide information on the volume of non-FSC-certified wood in products which do not consist entirely of wood, such as doors and window frames. This makes it hard for suppliers to measure the proportion of FSC-certified wood. It has been agreed in consultation with FSC Netherlands that suppliers will be asked to focus especially on this issue in 2011.

As part of the company’s efforts to raise suppliers’ awareness of sustainable enterprise, the BAM Business Principles were included in the General Purchasing and Subcontracting Conditions (AIOV) for the first time in the Netherlands in 2008. These were tightened at the end of 2010, focusing in particular on an integrated supply chain approach. In terms of monitoring, it was agreed that if a supplier does not agree with a specific article in the General Purchasing and Subcontracting Conditions, then that will be a so-called ‘knock-out criterion’ during the supplier selection phase and one-to-one discussions will be held to address the issue together. The topic of Corporate Social Responsibility was also made a fixture in agreements and contracts with ‘BIS’ (BAM Procurement Synergy) suppliers. Project-specific CSR plans are then made on a case-by-case basis.

ProRail performance ladder

One of the biggest factors to grow from level 4 to level 5 (the highest) on the ProRail performance ladder is an integrated supply chain approach. BAM also actively involves suppliers in CO₂-related objectives and actions. The main suppliers to BAM companies have been approached and asked to supply their CO₂ calculation or carbon footprint and have them verified. They have also signed a sustainability declaration.

Stimulate data reporting among construction partners

In 2010, BAM started the roll-out of a BAM-wide supplier performance evaluation system. The system measures the following variables on a project: safety, quality, total cost, logistics and technology/process. The scores are made available through BAM Plaza (intranet) to all associated buyers, which enables a quick and simple initial scan of buyers that BAM is doing business with for the first time. In addition, the system facilitates a broader
assessment selection, and feedback to the supplier about their performance.

BAM uses information provided by suppliers in its CO₂ emissions calculations and waste generation reports, which ensures that the information is obtained and used efficiently. A central check is also performed to assess the reliability and completeness of the information supplied in our sustainability report.

In practice, the Group sees various focus points and various stages of development of sustainability in the world of procurement. BAM wants to continue as a frontrunner and will help its supply chain partners to develop and implement a sustainability policy.

Objectives for 2011

- Increase the reliability of reporting on the use of wood;
- Increase the use of FSC-certified wood in the Netherlands;
- Introduce electric vehicles in the BAM fleet of company cars;
- Sustainability meetings at regional and operating company level with preferred suppliers;
- Roll-out and optimisation of digital invoicing and supplier performance assessments;
- Communication and guarantees regarding the new General Purchasing and Subcontracting Conditions including sustainability issues;
- Optimise data reporting by suppliers throughout the supply chain;
- Draw up an inventory of high-risk categories/suppliers;
- Improve the availability of information about the origins of materials purchased from suppliers.

Case studies

Digital invoices
In 2010, including internal declarations, a total of 42,000 digital invoices were issued and processed instead of a paper version. The result is a substantial reduction in paper consumption, lower overall processing costs and improved work flow. BAM is working in close cooperation with the industry-wide ‘Sales in Construction’ initiative on invoicing in the Netherlands.

BAM Sustainable Construction Symposium
A meeting was organised for the top 100 suppliers to BAM’s Dutch operating companies during the first quarter of 2010. The meeting discussed the implementation and the details of BAM’s sustainability policy in practice. One of the results of this workshop was that BAM developed the ‘Carbon Assessment Tool’ which is relatively simple for companies to use to calculate their CO₂ emissions and then obtain advice on how to reduce their emission levels.

FSC Global Partner Award for BAM Utiliteitsbouw
In 2010, BAM Utiliteitsbouw received the FSC Global Partner Award from FSC Director-General Andre Giacini de Freitas. FSC, the international organisation which promotes responsible forest management, presents annual awards to organisations which have performed outstandingly well in promoting the use of FSC wood and raising awareness of FSC.

Spreading FSC certification to foreign suppliers
During 2010, BAM Woningbouw also urged foreign suppliers and suppliers of wooden manufactured parts to obtain FSC certification. One of the results was the certification of a Romanian joinery works which supplies wooden manufactured parts to a BAM Woningbouw subcontractor.
Electric cars
Some 25 leading Dutch companies and government bodies have shared their knowledge and purchasing power to give a major boost to the introduction of electric vehicles in the Netherlands. As well as being one of the founding partners of this demand consortium (which is known as DC TEC), BAM is also very active in carrying out the work of the consortium.
As a consequence of changing consumer expectations and new legislation, there are opportunities for vehicles that run on renewable energy, are more economical and have better energy efficiency. Electric vehicles have now reached a stage in development where they represent a realistic alternative to conventional vehicles. BAM ordered 15 electric cars in 2010 which will be used by various operating companies. The proportion of electric cars in BAM’s fleet will continue to increase in the future. Positive initial user experience is essential if electric cars are to be a success. Rapid charging helps to improve the user’s experience, which is why BAM Infratechniek and Essent have entered into a strategic partnership to install and operate rapid charging stations for electric vehicles in the Netherlands.
Imagine you are passing a scanner over a wooden door or window frame and on the display you see ‘100% FSC wood from the Black Forest, Germany’. You also see a picture of the centuries-old Black Forest... Is this science fiction? It certainly doesn’t need to be by 2020 according to Bart van der Linden, the Director of FSC Netherlands (Forest Stewardship Council). He talks about ‘good’ forest stewardship and sustainable procurement, both now and in the future.

‘The Forest Stewardship Council (FSC) is an international organisation which promotes responsible forest stewardship, with due regard for the well-being of people and wildlife. The FSC sets global standards for responsible forest management with an associated hallmark. Forests are disappearing or shrinking worldwide. Our aim is to preserve them. Effective management plans are also needed to keep a forest in a ‘fit’ condition. In addition, we always look to the long term by drawing up a management plan for 25 years.

Together with over 290 partner organisations, FSC Netherlands is dedicated ensuring integrity of the Dutch market and truly responsible forest stewardship. We provide information and try to persuade everyone in the construction supply chain that there is a choice and they can support good forest stewardship in making that choice. Collaboration with partners is essential. BAM is working with FSC Netherlands to implement projects with FSC-certified wood and is also participating in the international development programme the Borneo Initiative. BAM understands that there is a choice and chooses FSC wood wherever possible. Experience over the last year has shown that you need to stand firm during the procurement process, certainly in relation to the traditional wood trade. ‘Good’ wood can easily be supplied if it is specified early on in the construction process. Certification for businesses that use FSC wood is carried out at the source – in the forest – all the way through to the last step. Everyone who supplies FSC wood to BAM must be able to demonstrate that they have the necessary chain of custody certificate, which shows that the shipment originated from an FSC forest.’

How can BAM improve as a covenant partner? ‘Well, rather than primarily having contact with the corporate head quarters, we would also like to approach BAM’s operating companies in a targeted way. For example, it was great to be involved in a Schakel & Schrale restoration project. Our collaboration becomes much firmer through such close relationships and more efficient too.’

How do you see the future? ‘Thanks to new technology, it is now possible to show a picture of the forest that a piece of wood comes from. We can make the whole process transparent simply by inserting a smart chip to which data is added. We then have the relationship between a piece of wood used here and the forest it was sourced from in a perfect format!’
Construction has a major impact on the environment. Many raw materials are required to manufacture construction materials and these activities also use a lot of energy. Recycling can limit the use of raw materials.

4.1 Energy: We strive to reduce our impact on climate change.

We will improve our energy-efficiency, reduce our CO₂ emissions and work with clients to develop low-CO₂ emission solutions.

Policy

BAM acknowledges the importance of reducing energy consumption and CO₂ emissions in the built environment in order to combat climate change. BAM measures its own carbon footprint and reduces it where possible, as well as work with partners in the construction supply chain to consider energy savings throughout the entire life cycle, working on CO₂-neutral solutions.

BAM is aware of the potential reductions which can be achieved by working with its supply chain partners. These include reducing the CO₂ emissions from the materials used and from our own production processes, as well as the CO₂ emissions when the completed project is in use. BAM has developed some CO₂-neutral concepts, such as the W&R Green Home and the Zero Emissions Road. BAM is increasingly offering its clients alternatives to reduce CO₂ emissions by making changes in their design choices so that construction and operation are more sustainable.

BAM focuses its efforts primarily on those areas where it can deliver the greatest improvement in efficiency, both inside and outside the Group. In its bid to reduce CO₂ emissions, BAM has adopted the following step-by-step plan:
1. Calculate the company’s own carbon footprint to identify the main areas for potential reductions.
2. Reduce the company’s own CO₂ emissions by lowering energy consumption during the production process.
3. Work with supply chain partners to identify possible reductions both upstream and downstream.
4. Investigate the options for off-setting the remaining CO₂ emissions.

Outcomes of the 2010 objectives

- Reduce CO₂ emissions by 5% in 2010 compared to 2009, in relation to turnover and the nature of business activities;
- Raise awareness among supply chain partners about the benefit and need to increase the availability of data.

CO₂ emissions reduction

BAM’s CO₂ emissions are calculated in accordance with the Greenhouse Gas Protocol (GHG Protocol).

BAM’s carbon footprint in 2010 was calculated on the basis of the energy consumed across our operating companies worldwide measured as direct and indirect CO₂ emissions from business activities.

BAM’s total energy consumption in 2010 was 3,692 TJ⁵, which is equivalent to 272 kilotons in CO₂ emissions.²

In absolute terms, BAM’s carbon footprint fell by 1.8% compared to 2009 (277 kilotons). The intensity of emissions (the CO₂ emissions/turnover) varies per sector. Because the proportion of civil engineering activities increased as a percentage of BAM’s turnover, the Group’s intensity of emissions increased from 33.3 tons to 35.7 tons per millions of euros (+7.5%).

Emissions in the Netherlands, the United Kingdom and Ireland and emissions from global activities decreased compared to 2009. The Belgian and German companies reported an increase in CO₂ emissions.

¹ Calculations do not include business flights.
² Calculations include business flights.
**Roads and housing**

Construction companies can use the model developed by BAM to calculate their CO₂ emissions. The model takes into account the CO₂ emissions of construction partners and suppliers. Data on new residential construction completed by BAM in 2007 were used to calculate the CO₂ footprint of the housing supply chain. The calculations have revealed that the majority of CO₂ emissions in the supply chain occurs during the occupancy phase.

Data on new roads constructed by BAM in 2007 were used to determine the CO₂ footprint of the road supply chain for the trunk road network. The calculations do not factor in CO₂ emissions from driving as the model was designed to focus on those aspects over which BAM can reasonably exercise a degree of influence. The procurement of raw materials is the largest source of CO₂ emissions. A presentation of the specific details of the results was made during the BAM 2008 symposium, which the construction sector was invited to attend.

Presentation of the carbon footprint according to source demonstrates that CO₂ emissions reductions were achieved primarily on construction sites and – to a lesser extent – in our vehicle fleet.
The operating companies showed underlying differences compared to 2009. An operating company’s carbon footprint depends largely on the nature, the phase and the location of projects in the year in question, giving rise to fluctuations (volatility). A soil remediation project emits significantly more CO₂ than an electrical and/or mechanical contracting project, for example. Accordingly, the CO₂ emissions level reported by the Group does not immediately reflect the Group’s efforts to reduce its carbon footprint. This applies in particular to civil engineering activities. The Group has formulated a longer-term objective to reduce our emissions by 2015 partly because of this volatility.

The emission reduction measures implemented, such as the use of motion sensors and innovative lighting systems at the head offices in Bunnik have reduced electricity consumption in our offices in recent years by approximately 23%. Other measures include using fewer generators on building sites (as connections to the mains electricity grid are established at an earlier stage) and Eco-Driving training for employees.

Improvements in the reporting process, both in-house and as regards data availability in joint ventures, resulted in an increase, as did the measures applied following the periods of severe cold weather in early and late 2010.

The Greenhouse Gas Protocol differentiates between three ‘scopes’, namely energy consumption for in-house production purposes (scope 1), electricity taken from the mains electricity grid (scope 2), and indirect energy consumption related, for example, to business flights (scope 3). The distribution by scope reveals a slight shift from CO₂ emissions resulting from direct consumption of fuel to indirect CO₂ emissions resulting from the use of electricity on construction sites.

Raising awareness among supply chain partners of the benefits and need to increase data collection
With the introduction of the BAM Project Carbon Calculator (PCC) in 2008, BAM provided a quantitative tool to measure and record CO₂ emission reduction during a project’s procurement and construction phase.
The application of the PCC in 28 different projects has shown that it is possible to achieve an average reduction of 8%. In our view, this is reason enough to use the PCC to point out potential areas for achieving CO₂ emission reductions to clients. In taking this approach, BAM also aims to provide impetus for standardising calculation methods, which may form a fixed element of specifications for sustainable tendering processes. BAM centrally offers information and experience gained with CO₂ reduction measures to partners in the construction process via the BAM CO₂ reduction desk (www.bamco2desk.nl).

In 2010, BAM’s energy experts developed a carbon assessment tool, which has been made available to suppliers (see section on sustainable procurement).

BAM works continuously to improve its data collection process to gain a better understanding of the Group’s environmental impact. Reporting lines and methods, as well as verification, will become permanent fixtures in operating companies. We nonetheless continue to face challenges as regards guaranteeing that data is complete. In particular, constantly changing partnerships with other companies worldwide ensure that data collection and management will remain a challenge.

Objectives for 2015

Our objective is to reduce our CO₂ emissions by 15% by 2015 compared to 2009, taking into account the turnover and nature of the projects. In 2010, an overview of opportunities to reduce emissions was drawn up. This will now serve as the basis for specific initiatives to be implemented over the coming years, such as making the vehicle fleet even greener.

The following steps are part of our plan of action:
1. In order to harmonise the data reporting method at BAM and to further improve data quality, an internal audit programme will be established similar to the system for reporting financial and safety data.
2. BAM staff responsible for sustainability now receives more effective reports, which facilitate improved management of CO₂ emissions reductions based on key performance indicators.
3. Share knowledge of potential measures to achieve CO₂ emission reductions, including the organisation of targeted sustainability meetings and virtual support via the intranet.

In addition, BAM intends to continue supporting and advising suppliers to reduce and calculate CO₂ emissions, and the Group is also seeking to raise awareness among supply chain partners about the benefits of and need to ensure the availability of data.

Case studies

Top of the ProRail CO₂ performance ladder
BAM Civiel, BAM Infratechniek, BAM Rail and BAM Wegen have reached the highest level (five) on the ProRail CO₂ performance ladder, affirming that they work in a highly climate-conscious way enabling them to become eligible for new ProRail projects. In 2010, CO₂ emissions reduction measures were implemented at our asphalt plants and offices. Employees are also trained in the energy-efficient use of cars and construction site equipment.

Energy-neutral office for BAM Infratechniek
As a result of renovation and expansion work, the BAM Infratechniek office in Ootmarsum is now carbon neutral. This was achieved by using heat and cold storage, energy-efficient lighting, concrete core activation and solar panels to generate sufficient electricity to cover part of the office’s needs. The remaining CO₂ emissions are offset using CO₂ certificates to invest in sustainable projects in developing countries. The result is a well insulated building with low energy consumption.
BAM Building builds Curaheen Hospital in Cork
BAM Building began construction on the Curaheen Hospital in Cork (Ireland). In addition to ensuring safety, sustainability features and environmental systems were applied. The introduction of new innovations ensured the use of applications to increase sustainability wherever possible. Early intervention with the designers guaranteed the pursuit of sustainability not only during the construction phase, but also after the building was completed. Sustainability applications included the use of FSC certified timber, curtain walls made from recycled aluminium and ground granulated blast furnace slag (GGBS) concrete. This achieved a reduction in the amount of excavated limestone and other greenhouse gases. LED lighting also further reduced energy consumption.

BAM Materieel energy management
BAM Materieel is working to improve its energy management. The aim is to chart users’ power usage and costs and to identify opportunities to save energy. In 2011, the buildings will be inspected to determine where savings can be made, and a model will be developed to determine the potential savings and measure the actual results. The model will take into account investment costs and payback time and will also factors in CO₂ emission reductions. Implementation of this proposal has been included in the long-term maintenance plan drawn up by BAM Gebouwbeheer.

Westwijk Zuidoost, Amstelveen
The Municipality of Amstelveen began construction of various types of homes during 2010. This includes the development of around 900 homes and apartments, with a clear focus on the environment, landscaping and water. BAM Techniek was selected to design, build and operate the sustainable energy infrastructure for the houses and apartments over 30 years. The application of various architectural solutions and the sustainable energy supply will help to achieve the sustainability objectives.

Initial application of ZOAB/LEAB energy-efficient asphalt
In 2010, the Municipality of Zutphen was the first in the Netherlands to use an energy-efficient mix of very open asphalt concrete (ZOAB). The test was conducted in collaboration with BAM Wegen, the Gelderland provincial authority and the Directorate-General for Public Works and Water Management. The new asphalt mix combines the advantages of both ZOAB and low-energy asphalt concrete (LEAB). BAM Wegen is the first asphalt producer in the Netherlands to receive an EPD certificate (Environmental Product Declaration) for LEAB. The certificate states the specific environmental performance of LEAB. ZOAB is normally produced at a temperature of 150 °C. In Zutphen, ZOAB/LEAB was produced for the first time at 105 °C, representing an energy saving of around 25%, with a corresponding reduction in CO₂ emissions. Accordingly, ZOAB/LEAB is a perfect match for the sustainability ambitions of BAM Wegen, the Gelderland provincial authority and the Directorate-General for Public Works and Water Management. Resurfacing the A12 motorway between Arnhem and Utrecht with LEAB achieves a savings of a quarter million cubic metres of natural gas.

BAM Construct UK
In 2010, BAM Construct UK was actively involved in a Carbon Trust initiative to take stock of CO₂ reduction measures on construction sites. The result is a plan of action designed to – in time – achieve reduction objectives exceeding 50%. BAM contributed to the report entitled ‘Carbon: Reducing the footprint of the construction industry’ (see www.carbontrust.co.uk) via the Strategic Forum Carbon Subgroup.
BAM Deutschland
The Stuttgart Ministry pilot project used the main sewerage channel of the city of Stuttgart to generate heat in the winter and a cooling effect in the summer. BAM Deutschland implemented a system in which the heat from waste water is used to supplement heat produced from buildings in addition to district heating. In the summer, around 660 offices, a corporate restaurant, a childcare centre and a number of other areas are also cooled down using the same system.

Fleet management
More than a quarter of BAM’s emissions come from its fleet of vehicles. BAM has taken the following steps to achieve emission reductions:
• A/B/C energy labelling;
• Eco-Driving training;
• BAM Rail NS Business Card;
• Mobility card.

A/B/C energy labelling
Cars with an A/B/C label make up 85% of BAM’s fleet. Older cars with a lower energy label rating will be replaced over time.

Eco-Driving training
In 2010, BAM Infratechniek and BAM Civiel began offering Eco-Driving training courses to all employees with a lease car and all employees who use equipment and machinery on construction sites. The aim is to achieve a further reduction in scope 1 emissions (‘direct emissions’). The training course will also be offered in 2011.

BAM Rail NS Business Card
At the end of 2009, BAM Rail offered 425 employees an NS (Dutch Railways) Business Card. NS reports quarterly on the number of kilometres on train journeys completed by employees. Around 145,000 kilometres in train journeys were completed during the first half of 2010. Had the same journeys been made by car, CO₂ emissions would have been 12 tons higher. Use of the NS Business Card will be further encouraged and car time to be monitored.

Mobility card
BAM set itself the objective in 2010 of initiating a pilot project in which 1,000 employees would be offered a mobility card. The withdrawal of one of the project partners, however, resulted in a substantial gap in support, preventing implementation of the pilot project. Other initiatives will be pursued to further reduce the use of vehicles by the Group.

4.2 Raw materials:
We improve the efficient use of materials.
We believe in reducing our impact on the supply of natural raw materials used in our products. We will work with clients and suppliers to use alternative materials and methods as a means of optimising the use of raw materials.
We also promote appropriate recycling and waste reduction measures.

Policy
In order to gain a better understanding of waste production and waste management issues, each operating company submits quarterly reports on its waste streams. This includes all waste leaving the construction site, regardless of who is removing it. As regards its origin, a distinction is made between the following types of waste: excavation waste, demolition waste, construction waste and office waste. Definitions for the various types of waste are laid down in our reporting manual. The registration of excavation waste is particularly challenging.

In 2011, BAM will report on waste in terms of ‘tons’ instead of ‘cubic metres’ as a means of reducing the use of conversion data factors. This year, conversion factors will be based on the ‘Waste and Resources Action Programme’ (WRAP) in the United Kingdom, unless specific conversion factors are available.

With regard to waste management, a distinction is made between three destination categories: reuse or recycling; incineration with energy recovery, and landfill or incineration without energy recovery. In most countries, waste recycling is already at an advanced stage of development, and landfilling is not an option. The majority of waste processors are now able to report on the various waste streams they handle.

Several initiatives, many of them in conjunction with construction partners, are already in place to promote construction site waste separation, waste reduction (including packaging), and improvements in the collection and reporting of waste data. Given that BAM operates in various countries and aims to reduce waste at all its operating companies, it is essential for all companies to apply uniform assumptions, reporting methods and contractual requirements wherever possible.
Outcomes of the 2010 objectives

- Formulate quantitative objectives for waste management and waste reduction;
- Introduction of the BAM SMaRT tool in the United Kingdom.

In March 2010, the Waste Working Group presented its results to the Group. The Waste Working Group comprises BAM employees from various operating companies and disciplines, as well as representatives from several key suppliers and construction partners (e.g. SITA, Technische Unie, CRH Bouwmaterialen and Pont Meijer). The Working Group focused in particular on waste separation on the construction site and on reducing construction waste.

The Waste Working Group made the following recommendations to BAM:
- Reduce unsorted waste: sort 10% more construction waste;
- Reduce the volume of waste: 5% total volume of waste/turnover for construction and office waste.

Much like CO₂ emissions, trends in disposal of waste depend heavily on the phase and type of a project. This can give rise to major differences among civil engineering companies in particular. Given the degree of volatility, a waste objective has also been formulated for 2015.

Introduction of the BAM SMaRT tool in the United Kingdom

Building Research Establishment (BRE) developed a Sustainability Measurement and Reporting Tool (BAM SMaRT) for the British market.

This web-based tool was developed in part to take stock of a project’s waste, energy and waste timber streams, as well as water consumption and other relevant environmental data, including the BREEAM score and the volumes of recycled raw materials. During a project, the progress of the various waste streams, energy consumption and recycled materials can be displayed in real-time, both at project level and BAM Construct UK level.

In 2011, the Dutch operating companies will conduct a pilot using this tool. If the results of this pilot project are positive, the new tool will be rolled-out across the Group.
Objectives for 2015

• 25% more construction waste to be separated for recycling;
• 15% reduction in construction and office waste;
• Look for greener construction material alternatives;
• Improve the quality of reporting on excavation waste.

Real-life case studies

Waste to Energy
As part of the BAM-Von Roll consortium, BAM Civiel built two new waste incineration lines in Roosendaal for Sita Re-energy. The project was part of the ‘Waste to Energy’ programme. These two lines will together incinerate more than 300,000 tons of waste per year. Incinerating the waste generates green electricity for the existing electricity grid, as well as generating heat for an adjacent greenhouse complex. A new residential area may also be connected to this system in the future.

BAM applies first sustainable bamboo formwork at Isala clinics in Zwolle
BAM Utiliteitsbouw used bamboo formwork panels for the new Isala clinics in Zwolle – a first for the Netherlands. Bamboo is a sustainable alternative to traditional multiplex formworks. Bamboo grows extremely quickly and is harder than most tropical hardtimber types. It absorbs four times more CO₂ than timber and gives off 35% more oxygen.

BAM Utiliteitsbouw is also working on Zwolle’s new hospital, which will be one of the largest cutting edge clinical hospitals in the Netherlands. The new hospital will have an organic architectural style, whereby the human dimension serves as the starting point. By using soft colours, natural materials and lots of green, the Isala clinics aim to promote the well being of patients, visitors and staff. The hospital is expected to be completed in 2013.

4.3 Environmental impact:
We will limit our environmental impact.

We take all reasonable measures to ensure that our activities are conducted in a way that minimises the impact on the local environment. We promote environmentally friendly operations and seek opportunities to promote diversity on our construction sites.

Policy
Construction has an impact on the surrounding area. Consider, for example, the disruption caused by road closures and the noise nuisance associated with pile driving. Taking stock in advance of the potential impact on the environment, people and nature is therefore an important pillar of our policy.

Through a smart approach and effective communication, BAM is able to minimise inconvenience and offer alternatives to reduce the local impact.

Prior to the start of each project, its local impact is investigated. In recent years, increasing attention has been paid to water storage and creating biodiversity.

The environmental policy of most of the Dutch operating companies is coordinated by QSHE managers (Quality Safety Health Environment).

Specialist environmental managers have been appointed at BAM’s British and Irish operating companies to improve the organisation’s environmental performance. Many of the operating companies have certified environmental management systems in place to provide a structured approach to minimising our environmental impact. Appendix 3 includes a summary of the accompanying certificates.
Objectives for 2011

- Increase the share of turnover generated by activities that meet ISO 14001 environmental management standards or equivalent;
- Research best practices for improving water quality and biodiversity.

Case studies

BAM Construct UK and BAM Nuttall have been ranked among the Top 60 Green Businesses in the UK. BAM Construct UK is ranked 25th in the list that was published in the Sunday Times. Its sister company BAM Nuttall is ranked 50th. Our environmental performance continues to improve every day with lower CO₂ emissions, reduced waste and more efficient energy use. It takes time and effort to be a socially responsible organisation, but the results are becoming increasingly measurable and tangible.

BAM site accommodation of the future

The idea for the BAM portacabin of the future emerged from a range of different experiences with construction site portacabines. There are a number of different ways to improve site accommodations. These ideas all came together in the BAM portacabin of the future. The innovative aspect of the BAM portacabin of the future is bringing together various smart energy-related innovations in one place. Energy consumption on the construction site is reduced and working conditions are improved through the introduction of green roofs to improve the cabine’s interior climate, cooling and heat storage, solar panels and wind turbines to generate energy, and LED lighting. The provision of a charging station for electric cars is an additional innovation. This concept will be further developed in 2011.
5.1 **Innovation:**

**We innovate to identify balanced sustainable solutions.**

Innovation is essential for our company’s development and for the identification of powerful sustainable solutions in the built environment.

Together with our partners in the supply chain from client to subcontractors and suppliers, we will provide sustainable solutions in which economic, environmental and community interests are well balanced.

This approach ensures that we use materials efficiently and provide our clients excellent value.

**Outcomes of the 2010 objectives**

- Promote knowledge exchange and a culture of innovation;
- Further develop highly promising innovations such as energy-neutral spatial development.

Promote knowledge exchange and a culture of innovation

BAM participates in both national and European knowledge platforms, including ENCORD and ECTP. The European Network of Construction Companies for Research and Development (ENCORD) is a business forum for research and development in the construction sector. Prof. G.J. Maas, Director of Strategy at Royal BAM Group, is President of ENCORD.

In response to initiatives from BAM, ENCORD has addressed the following sustainability issues:

- CO₂ emissions and waste generation reporting;
- Safety policy;
- The GRI construction sector supplement – Construction Real Estate Sector Supplement (CRESS).

BAM organises in-house innovation, idea competitions and innovation days to promote knowledge development. One example is the annual BAM Civil Engineering Innovation Competition which in 2010 attracted no fewer than 50 submissions, illustrating BAM’s innovative corporate culture.

Further develop highly promising innovations such as carbon-neutral spatial development

As BAM strives to comply with its clients’ wishes as much as possible, it has developed a range of practical tools to measure a project’s sustainability features.

2010 saw the further development of tools, which BAM deployed on a regular basis for clients, other construction partners and suppliers. This included the GreenUp Tool, the Project Carbon Calculator and the Existing Buildings Toolkit. BAM also developed the ‘Sustainable Retail Property’ toolkit in 2010.

Development of the Sustainable Area Development Toolkit also continued in 2010, with BAM taking an active role in several initiatives and pilots. Sustainable area development is a new approach to development, encompassing issues such as cultural history, ecology, landscape design, housing quality, the environment, nature, recreation, water, water safety and sustainable mobility. These issues require a new approach to collaboration and management.

Pieter Hameetman, Director of AM Duurzaam, is co-author of this toolkit. He has also served as Chair of the Innovation Working Group under the Energy Transition Platform for the Built Environment (PeGo) since 2006:

‘Energy-neutral area development involves converting the issue of climate change into new business. As a multidisciplinary construction company, BAM has in-house solutions to address this issue.’

AM is actively involved in the online platform www.gebiedsontwikkeling.nu, a spatial development initiative launched by TU Delft. The platform was established in collaboration with private sector organisations to create the Foundation for Area Development Expertise (Stichting Kennis Gebiedsontwikkeling (SKG)). We need to work together to tackle complex issues and to create added value.

Knowledge exchange between scientists and people in the field, and the encouragement of debate between the public and private sector and the various disciplines involved in area development can aid the development of specific solutions and new strategies.
Case studies

CleanScreen
Dust is a global public health problem. In conjunction with several partners, Redubel (BAM Wegen) developed ‘CleanScreen’, which cleans polluted air by using air flows that are present around roads (traffic and atmospheric wind). A pilot project was launched in early 2011 to study ways to improve air quality using CleanScreen. The effectiveness of Cleanscreen has already been demonstrated in the Thomassen Tunnel (A15) near Rotterdam.

www.cleanscreen.nl

Energy Valley Topclub
BAM Infratechniek joined forces with various other companies, the Energy Valley Foundation and FC Groningen to form Energy Valley Topclub. Through this initiative, the partners intend to further enhance the energy sector of the north of the Netherlands, and increase public awareness of issues such as innovation and energy transition.

Energy Valley Topclub’s mission is to stimulate, activate, facilitate and engage companies, knowledge institutes and government bodies to develop joint projects and work in a concrete way on clean, reliable and innovative energy.

BAM brings knowledge of sustainable energy solutions to the table. The initiative is working with similar initiatives in Germany and the United Kingdom.

In-depth information day on no-dig technologies
On No Dig Day 2010, various BAM civil engineering firms, including BAM Wallonie and BAM Infratechniek, presented information about their activities in drilling and no-dig pipe renovation. The event was organised by the Netherlands Association for No-Dig Technologies and Applications (Nederlandse vereniging voor Sleufloze Technieken en Toepassingen (NSTT)), which invited 250 business contacts to attend.

Led by Prof. Johan Bosch, Professor of Underground Construction at TU Delft, the attendees learned about the latest drilling and pipe renovation technologies. BAM demonstrated sustainable solutions for laying, renovating and replacing underground infrastructure.

Passive house project
The year 2010 saw BAM Woningbouw W&R hand over the first passive house project based on a standard design. The 103 passive houses in the Columbus Quarter of Almere were transferred to the GoedeStede housing association, which is letting the homes. The passive house principle is rooted in limiting energy for heating and household use. This means that façades, the floor and roof are all insulated, and the need for space heating is limited. During the summer, the home maintains a comfortable interior climate thanks to drainage in the façade which provides passive cooling. There are 14 photovoltaic panels on the roof of each home for the sustainable generation of electricity. Any surplus is supplied to the main electricity grid.

Green office façade
The first green façade was unveiled in The Hague. A vertical garden is helping to improve urban living conditions. The plants were planted using the Modulogreen® façade system developed by BAM’s green specialists, giving the building an attractive green emphasis, as well as helping to improve air quality by absorbing CO₂. The plants also absorb street noise. The façade panel system replaces the external cavity wall and is modular. The vertical garden also has an insulating effect, and protects against UV rays. In addition, the garden does not use up any scarce surface area.

Sustainable Retail Property Toolkit
The aim of the Sustainable Retail Property toolkit is to systematically improve the sustainability of shopping centres. With this toolkit, municipal authorities, investors, retailers, developers and construction companies can work together systematically – based on a common vision of sustainability – to develop and build specific sustainable projects. At present, the emphasis on retail
properties as part of sustainable property development is inadequate. Given the varying interests of investors, retailers and developers, it is difficult to get these parties to see eye to eye on sustainability. The participating parties, including AM, believe that all parties have an interest in sustainable property and are therefore keen to make the issue transparent and to propose realistic solutions.

5.2 Prosperity:
We believe that sustainability results in economic value.

We choose to create value by working on effective and profitable solutions for our shareholders that contribute to a sustainable future.

Policy
BAM’s activities focus on generating added value and offering solutions that reflect the needs of society. In a constantly changing world, this calls for sustainable innovation. In addition to innovative products and production processes, this involves modified financing methods to reflect types of contracts such as DBFM contracts. BAM recognises that innovation is essential for the organisation’s further development. Climate change, the ageing population and other developments are opportunities to create added value for society and the Group.

Outcomes of the 2010 objectives
BAM Construction is building a new head office for the Co-operative Group in Manchester close to the old head office. The complex is expected to be completed by mid-2012. The 15-storey building will accommodate more than 3,000 employees.

The Co-operative operates exclusively in the United Kingdom, where its businesses include supermarkets, travel agencies, financial products companies and pharmacies, generates annual turnover to the tune of 14 billion pounds sterling and employs a staff complement of 120,000. Its 5,000 shops welcome more than 20 million clients each week.

Cradle to cradle creates value
At the request of the Municipality of Veldhoven, Tebodin investigated the cradle to cradle options for Runport A2, an industrial park in an international, high-tech Brainport location. The area’s ecological value can be improved and enriched by air-purifying green screens and roofs designed to trap pollutants, capture CO2, release oxygen and trap moisture. These measures help to combat the ‘heat island effect’. In addition, an old waterway is being restored to provide water storage. Local water quality will improve due to reed land used for bio-filtration. These are key steps towards a cradle to cradle environment.

In 2010, BAM Utiliteitsbouw began construction on the Innovatoren in Venlo, which is one of the first buildings designed according to cradle to cradle principles. The building is low on energy thanks to an innovative solar façade design with natural ventilation.

BAM Wegen won the contract for the Greenportlane road project in Venlo, where the cradle to cradle principles have also been translated into green spaces where possible. Measures have also been taken to improve the flow of traffic as part of this project.

Euroborg high-rise blocks
Two high-rise apartment blocks, both approximately 70 metres high, are located near the Euroborg Stadium in Groningen. BAM Techniek is responsible for designing, building and operating the sustainable energy infrastructure for the two apartment blocks for 30 years. The apartments are fitted with a low-temperature heating and high-temperature cooling system. The heating and cooling are generated sustainably by a heat pump.
Bridge across the Albert Canal in Vroenhoven (Belgium)
CEI-De Meyer has been contracted by the Flemish Region of Belgium (nv De Scheepvaart) to carry out the complex task of widening the Albert Canal in Vroenhoven in the Belgian part of Limburg. A multi-functional building acting as a pier was also built next to a new, narrow steel cable bridge. In order to integrate this structure as effectively as possible into the landscape, local construction materials were sourced, such as colourful Maas gravel. The raw finish of the walls lends the buildings a natural ‘marl’ effect that is characteristic of the region. In 2010, CEI-De Meyer received the prestigious Concrete Excellence Award for this exceptional successful project. It was the first time the Belgian Concrete Group have presented the award to a construction company. In addition to aesthetics, the project also paid particular attention to the local fauna. There is a badger tunnel, for example, as well as some wild fauna growth and a space beneath the building for bats. The building houses a museum for the Second World War, catering facilities, meeting rooms, an amphitheatre and both an indoor and an outdoor climbing wall.

SouterRain water storage project
Channelling rainwater to the existing drainage system is no longer in line with prevailing rules and regulations in the Netherlands. As part of the SouterRain project, BAM is implementing a unique water storage system, compromising an asphalt-based, water-storage road foundation. Beneath a regular street, the first flush of rainwater along with any pollution is channelled into the sewerage system, the water fills the specially designed gully holes, activating the water storage properties in the road foundation, and is drained away via infiltration into the substrate. The new system appears to be the perfect solution to water storage problems.

Rapid charging station
BAM Infratechniek, together with its project partner Essent, is offering an installation and operation solution for rapid charging of electric cars. The two companies are collaborating with Epyon, which supplies rapid charging stations. The first two rapid charging stations will be installed in early 2011. Vehicles will be charged within half an hour. Rapid charging brings a new dimension to electric cars since it doubles their daily operating radius. Only contracts for certified green electricity will be signed for the charging infrastructure (green electricity from renewable sources).

Objectives for 2011
• Further develop best practices and make them available via the intranet.
Sustainable energy supply to 180 Brander and Stoker apartments in Groningen, Netherlands. BAM Techniek (design and build), BAM Duurzaam (energy supply), AM (in joint venture) and BAM Woningbouw (in joint venture).

Bridge across the Albert Canal in Vroenhoven. CEI-De Meyer.
‘Even before the project got started, it was clear that a BREEAM Outstanding certificate was a must for us. That was the starting point for the design. In complying with the rigorous BREEAM Outstanding criteria, we aim to reduce energy costs by between 40% and 60% compared to current levels. One benefit of the BREEAM certificate is the fact that it is awarded by an objective body.’

‘We selected BAM, because we believe that BAM’s ethical values align perfectly with our own. Where possible, they employ local workers and use local materials. Another major advantage is that BAM has gained experience across Europe with this type of building.’

Cookson concludes by saying, ‘While what we are currently doing in the construction sector may seem somewhat pioneering, we truly believe that this type of building will become the standard for the new generation of buildings. The biggest challenge we face is maintaining the high BREEAM score during the occupancy phase.’

For certification, BREEAM uses a points system to reflect the sustainability of a building. Points are awarded for water and energy savings, for example, as well as for increasing the amount of natural light in the building, the circulation of natural air and the use of recycled construction materials.

‘We firmly believe in future-proof construction.’
We firmly believe in future-proof construction.

New Co-operative Group head office, Manchester (United Kingdom).
BAM Construct UK.
BAM is committed to being a responsible company. This means that we conduct our activities in accordance with applicable ethical, professional and legal standards. We consider corruption, bribery and unfair competition to be unacceptable.

Policy
BAM’s integrity policy is based on our Code of Conduct, which all employees in the Netherlands sign as an integral part of their contract of employment. In this Code of Conduct, BAM stipulates 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 Assessment of Integrity in the Construction Industry (Stichting Beoordeling Integriteit in de Bouwnijverheid (SBIB)). The foundation 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 at each Dutch operating company. Employees can contact this officer with any questions about integrity or reports of alleged wrongdoing. In accordance with the whistleblower regulations that also apply within BAM, this can be done anonymously.

Outcomes of the 2010 objectives
During the year under review, the compliance officers received 53 reports of alleged irregularities in the Netherlands. A breach of the code of conduct was established in 40 of these 53 cases (2009: 21 of 36). These involved, for instance, administrative irregularities, intimidation, incorrect use of company property and illegal activities (including theft and embezzlement). Appropriate disciplinary measures were taken against the employees concerned.

In 2010, no complaints were received in respect of violation of the competition rules or violation of the rules on doing business with family/friends.

The year 2010 saw workshops and training courses held at various operating companies and for the central staff group on the subject of integrity. The workshops and courses were organised in collaboration with KPMG. BAM operating companies are looking more closely at the issue of integrity as a consequence of these workshops/courses, which will perhaps heighten their focus on potential illegal activities.

The total number of reports and requests for advice received in 2010 (134) is virtually the same as in 2009 (129). It remains difficult to account for the increase in the number of reports of illegal activities (2010: 10 reports of which 8 were substantiated, compared to 2009: 0). This may be attributable in part to increased awareness as a result of the workshops and courses.

Integrity training
In 2010, a total of 123 employees attended courses which addressed the subject of integrity. This corresponds to 1,072 days of training. Courses dealing with the subject of integrity include the BAM Introduction Course (BIC), Procurement Training, Project Management and BAM Manager.

These courses inform employees about BAM’s integrity policy and give them guidance to help them deal appropriately with situations in which corporate integrity is at risk.

In 2010, some 1,640 employees attended a ‘How BAM Works’ course through the BAM Construction School (BAM Vakschool). Integrity is a major element of this course (see the section on training courses).

Covenant with Building and Timberworkers International (BWI)
BAM’s corporate integrity is not only assured by means of in-house measures, such as the Integrity Code of Conduct, but also by signing integrity declarations with external parties.

An agreement is in place with the Building and Timberworkers International (BWI), for example, in which BAM reaffirms its intention to carry out its business activities in accordance with national and international legislation and also to comply with the relevant guidelines and recommendations of the International Labour Organisation (ILO). On 31 March 2006, BAM and BWI signed a framework agreement to promote and protect employee rights.

By signing this agreement, BAM indicated that it recognises and respects:
- The fundamental 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 Principle 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 interfere with the proper operation of the market. BAM is committed to working to achieve social justice and sustainable development in its activities with trading partners, subcontractors and suppliers. In that regard, BAM and BWI work together to ensure that the following social criteria are effectively applied:

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

In order to achieve the objectives and comply with the agreements reached, there are regular meetings of a reference group, consisting of management representatives from BAM and representatives of trade union organisations, including BWI, to monitor implementation of the agreement.

In recent years, there have also been visits to projects in countries such as South Africa and Dubai. A visit to Tanzania is on the agenda for 2011.

**Corruption index**

The Corruption Perception Index (CPI) is calculated annually by Transparency International. With its head office in London, Transparency International focuses on strict implementation of the UN Convention against Corruption.

The CPI classifies countries according to their perceived level of corruption on a scale from 1 to 10. BAM achieves the majority of its turnover in countries with a corruption index higher than six, i.e. in countries with a low to very low risk of corruption.
This is the fourth separate sustainability report published by Royal BAM Group nv. Since 2007, BAM has devoted a specific annual report to the Group’s policy on sustainability and corporate social responsibility and the results of that policy.

In this reporting year, a clear link was established with BAM’s strategic policy, partly in response to requests from stakeholders. We also elected to include our sustainability activities and the promotion of sustainability in the report.

Report parameters
This report presents both quantitative and qualitative data for the calendar year 2010. This report relates to all of BAM’s operating companies, unless otherwise stated. The activities of the dredging company Van Oord nv, in which BAM has a 21.5% interest, are not included.

Reporting principles
This report has been compiled in accordance with the guidelines in version G3 of the Global Reporting Initiative (GRI). Appendix 1 includes an overview of the GRI G3 principles and the performance indicators covered by this report.

All operating companies report quarterly on the three key areas: safety, CO\textsubscript{2} emissions and waste. A reporting system for safety has been in place for quite some time. In 2009, a reporting system for CO\textsubscript{2} emissions and waste was launched as an extension of the financial reporting system.

Verification of this report
Compiling a complete, transparent report of Group activities is of tremendous importance to BAM. Accordingly, there is no restriction on the scope of reporting, and the Group consequently reports on all its business activities. In order to give the report more weight, BAM also asked PwC to verify the sustainability report this year. The Sustainability Report 2010 meets the requirements of GRI level B+.

The assurance scope is restricted to all information with respect to 2010 and is included in this report as Section 8.

As BAM also applies the ‘best standard’ principle with regard to external assurance, it asked PwC to apply NV COS 3410N, a standard explicitly developed to verify sustainability reports. This standard includes strict requirements for the quality of administration and the indicators used in and the wording of the report. Other standards are more flexible in terms of the report’s substance and permit certain restrictions in the report, which are not acceptable under this guideline. Given that BAM publishes a separate sustainability report, which is verified by PwC on the basis of NV COS 3410N, readers can rest assured that the report provides a true and fair representation of sustainability across the board.

BAM aims to achieve the highest degree of assurance in phases. BAM has already achieved the highest degree of assurance, referred to as a ‘reasonable degree of assurance’, for the indicator Safety. Increasing the professionalism of internal processes in the coming years will increase the level of assurance of the sustainability report. The assurance report can be found on page 68.

Target group for the sustainability report
Royal BAM Group accounts for its sustainability policy and the associated results to all stakeholders in the sustainability report. The stakeholders include clients, BAM employees, suppliers and subcontractors, shareholders, other organisations in the construction sector, NGOs and public authorities. It is also available to any other interested party.

Reporting process
Data collection took into account the organisation’s decentralised structure and the degree of priority attached to the various subjects. All operating companies in the sectors and home countries reported qualitative and quantitative information to the Group. 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 also available online (www.bam.eu).
Introduction
We have examined the Sustainability Report 2010 (hereafter the Report) of Royal BAM Group nv, Bunnik in which management renders account of its performance related to sustainability in 2010.

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 3.3.1 Health and 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.

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

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

Reporting criteria
Royal BAM Group developed its reporting criteria on the basis of the G3 Guidelines of the Global Reporting Initiative (GRI) as published in October 2006, as mentioned in appendix 9.1 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’.

General assurance procedures
With regard to the audited and reviewed information we have gathered audit evidence as follows:
• performing an external 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;
• assessing the application level according to the G3 Guidelines of GRI.

Audit procedures
With regard to the audit we have gathered audit evidence as follows:
• testing the design and effectiveness of the relevant internal control measures during the reporting period;
• analytical review, relation checks and detailed audit procedures.

Review procedures
Our most important review procedures were:
• based on interviews and analyses 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;
• interviewing management on the information contained in the Report and reviewing internal and external documentation to adequately determine whether the information in the Report is adequately substantiated.

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

Conclusions
Based on our audit procedures
We conclude that the information, as included in the chapter 3.3.1 Health & Safety, are in all material respects presented reliably and adequately, in accordance with the Royal BAM Group 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 Royal BAM Group 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 Royal BAM Group reporting criteria.

Amsterdam, 4 April 2011
PricewaterhouseCoopers Accountants N.V.

(Original has been signed by)
J. van Hees, RA
In the Sustainability Report, BAM accounts to all its stakeholders for its sustainability policy and the results of that policy in 2010. In addition to the report, BAM employs a series of communication tools to engage in dialogue with its clients, employees, suppliers and subcontractors, shareholders, other organisations in the sector, NGOs and public authorities. New media offer additional opportunities to engage in such a dialogue.

We have worked diligently to create a database of best practice and shared knowledge, as well as updating and expanding the sustainability information on the BAM website, which now provides a platform for open innovation.

Moreover, in response to this sustainability report, BAM is engaging stakeholders in dialogue. They will be expressly invited to give their reactions.

T.P.L.M. van Beek, Director of Corporate Social Responsibility

‘Because our world is forever’

Please direct any questions about BAM’s sustainability policy or about this sustainability report to the Director of Corporate Social Responsibility, T.P.L.M. van Beek:
Royal BAM Group nv
PO Box 20
3980 CA Bunnik
The Netherlands
t.van.beek@bamgroep.nl

‘By establishing communities of practice in the Group, we have taken important steps as regards sharing knowledge across the Group. In addition, best practices are increasingly being shared successfully with partners and applied in new projects.’
9 Appendices

9.1 GRI table

9.2 Overview of selection of sustainable tools and products at BAM

9.3 BAM certificates

9.4 Definitions
Appendix 1:
GRI table/summary of version G3 of the GRI for Royal BAM Group nv

<table>
<thead>
<tr>
<th>GRI code</th>
<th>Topic/indicator</th>
<th>Reporting level</th>
<th>Page number</th>
<th>Explanatory notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strategy and analysis</td>
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<td>6, 9-10</td>
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<td>The number of countries in which the organisation operates (with relevant</td>
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<tr>
<td>2.6</td>
<td>Ownership structure and legal form.</td>
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<td>Report parameters</td>
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<td>Reporting cycle (annually, biennial, etc.).</td>
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<td>Point of contact for questions regarding the report or its contents.</td>
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<td>Process for defining the content of the report, including relevance, material</td>
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<td>Specific limitations on the scope of the report.</td>
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<td>Basis for reporting on joint ventures, subsidiaries in partial ownership,</td>
<td>![Symbol]</td>
<td>67, 80</td>
<td>Wherever possible, use has been made of data drawn from various BAM data files.</td>
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<tr>
<td></td>
<td>leased facilities, outsourced operations and other entities.</td>
<td></td>
<td></td>
<td>When this was not available, the decision was made to use specific estimations or</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>otherwise use the calculations as a basis.</td>
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<td>Data measurement techniques and basis for the calculations, including the</td>
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<td>Details of consequences of any re-statements of previously provided</td>
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<td>GRI table.</td>
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<td>71-75</td>
<td>Appendix 1</td>
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<td>Policy and current practice in relation to the provision of external assurance</td>
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<td>4</td>
<td>Governance, commitments and engagement</td>
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<td>4.1</td>
<td>Organisation’s governance structure, including committees under the highest governance body.</td>
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<td>Annual financial report for 2010</td>
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<td>4.2</td>
<td>Indicate whether the chair of the highest governance body is also an executive officer.</td>
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<td></td>
<td>Annual financial report for 2010</td>
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<td>For organisations that have a unitary governance structure: Please indicate the number of members of the highest governance body who are independent and/or non-executive members.</td>
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<td>4.4</td>
<td>Consultative bodies for shareholders and employees to provide recommendations or input for the highest governance body.</td>
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<td>3-5, 17, 18</td>
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<td>4.5</td>
<td>Linkage between compensation for the members of the Executive Board, senior managers and executives and the organisation’s performance (including corporate social responsibility).</td>
<td>○</td>
<td></td>
<td>Annual financial report for 2010</td>
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<td>Processes in place for the Executive Board to ensure conflicts of interest are avoided.</td>
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<td>Process for determining the qualifications and expertise of members of the Executive Board for guiding the organisation’s CSR strategy.</td>
<td>○</td>
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<td>Annual financial report for 2010</td>
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<td>4.8</td>
<td>Internally developed mission statements and codes of conduct relevant to CSR and the status of their implementation.</td>
<td>○</td>
<td>17, 20-22, 65-66</td>
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<td>4.9</td>
<td>Procedures of the Executive Board for overseeing the organisation’s CSR performance, including relevant risks and opportunities and compliance with internationally agreed standards and principles.</td>
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<td></td>
<td>17</td>
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<td>4.10</td>
<td>Procedures for evaluating the Executive Board’s own performance, particularly with reference to CSR.</td>
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<td>Information on the application of the precautionary principle.</td>
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<td>Annual financial report for 2010</td>
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<td>4.12</td>
<td>Externally developed economic, environmental and social charters, principles or standards to which the organisation subscribes or endorses.</td>
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<td>Appendix 3</td>
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<td>Memberships of associations and national/international advocacy organisations.</td>
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<td>See website</td>
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<td>4.14</td>
<td>List of relevant stakeholder groups for the organisation.</td>
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<td>17-18</td>
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<td>4.15</td>
<td>Basis for identification and selection of stakeholders.</td>
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<td>Approaches to and frequency of stakeholder engagement.</td>
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<td>Organisational response to key topics and concerns raised during stakeholder engagement.</td>
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<td>Economic performance indicators</td>
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<td>Goals and performance.</td>
<td>○</td>
<td>3-6, 22-23</td>
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<td>Policy.</td>
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<td>Organisational responsibility.</td>
<td>○</td>
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<td>DMA</td>
<td>Training and awareness.</td>
<td>○</td>
<td>36-37</td>
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<td>DMA</td>
<td>Monitoring and follow-up.</td>
<td>○</td>
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<td>Direct economic value generated.</td>
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<td>EC2</td>
<td>Financial implications and other risks and opportunities for the organisation’s activities due to climate change.</td>
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<td>EC3</td>
<td>Coverage of the organisation’s defined pensions and benefit plan obligations.</td>
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<td>Range of ratios of standard entry-level wage compared to local minimum wage at key operating locations.</td>
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<td>EC6</td>
<td>Policy, practices and proportion of spending on locally based suppliers at important locations of operation.</td>
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<td>EC7</td>
<td>Procedures for local hiring and proportion of senior management hired from the local community.</td>
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<td>EC8</td>
<td>Development and impact of infrastructure investments and services for the general public.</td>
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<td>EC9</td>
<td>Understanding and description of significant indirect economic impacts, including their extent.</td>
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<td>Reporting level</td>
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<td>22, 23</td>
<td>CSR Director</td>
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<td>Training and awareness.</td>
<td>☐</td>
<td>36-37</td>
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<td>DMA</td>
<td>Monitoring and follow-up.</td>
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<td>CSR Director</td>
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<td>EN2</td>
<td>Percentage of materials used that are recycled from external sources.</td>
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<td>Direct energy consumption by primary energy source.</td>
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<tr>
<td>EN4</td>
<td>Indirect energy consumption by primary energy source.</td>
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<td>EN5</td>
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<td>47-51</td>
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<td>Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.</td>
<td>☐</td>
<td>47-51</td>
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<td>Initiatives to reduce indirect energy consumption and reductions achieved.</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN8</td>
<td>Total water consumption.</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN9</td>
<td>Water sources significantly affected by withdrawal of water.</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN10</td>
<td>Percentage and total volume of water recycled and reused.</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN11</td>
<td>Location and size of land owned, leased, managed in or adjacent to protected areas and areas with a high biodiversity value outside protected areas.</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN12</td>
<td>Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN13</td>
<td>Habitats protected or restored.</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN14</td>
<td>Strategies, current actions and future plans for managing impact on biodiversity.</td>
<td>☐</td>
<td>21, 54</td>
<td></td>
</tr>
<tr>
<td>EN15</td>
<td>Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations (according to level of extinction risk).</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN16</td>
<td>Total direct and indirect greenhouse gas emissions by weight.</td>
<td>☐</td>
<td>47-52</td>
<td></td>
</tr>
<tr>
<td>EN17</td>
<td>Other relevant indirect greenhouse gas emissions by weight.</td>
<td>☐</td>
<td>47-52</td>
<td></td>
</tr>
<tr>
<td>EN18</td>
<td>Initiatives to reduce greenhouse gas emissions and reductions achieved.</td>
<td>☐</td>
<td>50-52</td>
<td></td>
</tr>
<tr>
<td>EN19</td>
<td>Emissions of ozone-depleting substances by weight.</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN20</td>
<td>NO, SO and other significant air emissions by type and weight.</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN21</td>
<td>Total water discharge by quality and destination.</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN22</td>
<td>Total weight of waste by type and disposal method.</td>
<td>☐</td>
<td>52-53</td>
<td></td>
</tr>
<tr>
<td>EN23</td>
<td>Total number and volume of significant spills.</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN24</td>
<td>Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and the percentage of transported waste shipped internationally.</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN25</td>
<td>Identity, size, protected status and biodiversity value of bodies of water and related habitats significantly affected by the reporting organisation’s discharges of water and runoff.</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN26</td>
<td>Initiatives to mitigate the environmental impact of products and services, and the extent of impact mitigation.</td>
<td>☐</td>
<td>Renewable energy certificates for Dutch companies</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 non compliance with environmental laws and regulations.</td>
<td>☐</td>
<td>The BAM legal affairs department is not aware of any fines and/or sanctions.</td>
<td></td>
</tr>
<tr>
<td>EN29</td>
<td>Significant environmental impacts of transporting products and other goods and materials used for the organisation’s operations, and transporting members of the workforce.</td>
<td>☐</td>
<td>48, 49, 51</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>
<tr>
<td></td>
<td>Social performance indicators: Working conditions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DMA</td>
<td>Goals and performance.</td>
<td>☐</td>
<td>30, 33, 34-36</td>
<td></td>
</tr>
<tr>
<td>DMA</td>
<td>Policy.</td>
<td>☐</td>
<td>30-33</td>
<td></td>
</tr>
<tr>
<td>DMA</td>
<td>Organisational responsibility.</td>
<td>☐</td>
<td>22, 23</td>
<td>CSR Director</td>
</tr>
<tr>
<td>DMA</td>
<td>Training and awareness.</td>
<td>☐</td>
<td>33, 36-38</td>
<td></td>
</tr>
<tr>
<td>DMA</td>
<td>Monitoring and follow-up.</td>
<td>☐</td>
<td></td>
<td>CSR Director</td>
</tr>
<tr>
<td>GRI code</td>
<td>Topic/indicator</td>
<td>Reporting level</td>
<td>Page number</td>
<td>Explanatory notes</td>
</tr>
<tr>
<td>----------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------</td>
<td>-------------</td>
<td>-----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>LA1</td>
<td>Total workforce by employment type, employment contract and region.</td>
<td>☐</td>
<td>34-36</td>
<td></td>
</tr>
<tr>
<td>LA2</td>
<td>Total number and rate of employee turnover by age group, gender and region.</td>
<td>☐</td>
<td>34-36</td>
<td></td>
</tr>
<tr>
<td>LA3</td>
<td>Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.</td>
<td>☐</td>
<td></td>
<td>BAM ensures the equal and consistent treatment of full-time and part-time employees.</td>
</tr>
<tr>
<td>LA4</td>
<td>Percentage of employees covered by collective bargaining agreements (collective labour agreement (CAO)).</td>
<td>☐</td>
<td></td>
<td>Where applicable, all employees are covered by a CAO.</td>
</tr>
<tr>
<td>LA5</td>
<td>Minimum notice periods regarding operational changes, including whether it is specified in collective agreements.</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LA6</td>
<td>Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LA7</td>
<td>Rates of injury, occupational disease, lost days and absenteeism and number of work-related fatalities by region.</td>
<td>☐</td>
<td>30-32,35</td>
<td></td>
</tr>
<tr>
<td>LA8</td>
<td>Education, training, counselling, prevention and risk-control programmes in place to assist the workforce, their families or community members regarding serious diseases.</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LA9</td>
<td>Health and safety topics laid down in formal agreements with trade unions.</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LA10</td>
<td>Average hours of training per year per employee by employee category.</td>
<td>☐</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>LA11</td>
<td>Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.</td>
<td>☐</td>
<td>36-38</td>
<td></td>
</tr>
<tr>
<td>LA12</td>
<td>Percentage of employees receiving regular performance and career development reviews.</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LA13</td>
<td>Composition of governance bodies and breakdown of employees by gender, age group, minority group membership and other indicators of diversity.</td>
<td>☐</td>
<td>34-35</td>
<td></td>
</tr>
<tr>
<td>LA14</td>
<td>Ratio of basic salary of men to women by employee category.</td>
<td>☐</td>
<td></td>
<td>BAM makes no distinction between male and female employees as regards salaries.</td>
</tr>
</tbody>
</table>

**Social performance indicators: Human rights**

**Insight into management approach**

| DMA      | Goals and performance.                                                                                                                                | ☐               | 65-66       |                                                                                  |
| DMA      | Policy.                                                                                                                                              | ☐               | 65-66       |                                                                                  |
| DMA      | Organisational responsibility.                                                                                                                         | ☐               | 65-66       | Compliance Officer                                                             |
| DMA      | Training and awareness.                                                                                                                                  | ☐               | 65          |                                                                                  |
| DMA      | monitoring and follow-up.                                                                                                                               | ☐               |             | Compliance Officer                                                             |

**Performance indicators**

| HR1      | Percentage and total number of investment agreements that include human rights clauses or that have undergone human rights screening.              | ☐               |             |                                                                                  |
| HR2      | Percentage of significant suppliers and contractors that have undergone human rights screening, and actions taken.                                | ☐               |             |                                                                                  |
| 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.                                                                                         | ☐               | 65-66       |                                                                                  |
| HR5      |                                                                                                                                                    | ☐               |             |                                                                                  |
| HR6      |                                                                                                                                                    | ☐               |             |                                                                                  |
| HR7      | Operations deemed to involve a significant risk of the following: (1) denial of the right to exercise freedom of association and collective bargaining, (2) child labour, or (3) forced or compulsory labour, and actions taken to eliminate such risks. | ☐               |             |                                                                                  |
| HR8      | Percentage of security personnel trained in the organisation’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.                                                        | ☐               |             |                                                                                  |

**Social performance indicators: Society**

**Insight into management approach**

<p>| DMA      | Goals and performance.                                                                                                                                | ☐               | 28          |                                                                                  |
| DMA      | Policy.                                                                                                                                              | ☐               | 28          |                                                                                  |
| DMA      | Organisational responsibility.                                                                                                                          | ☐               |             | Compliance Officer                                                             |</p>
<table>
<thead>
<tr>
<th>GRI code</th>
<th>Topic/indicator</th>
<th>Reporting level</th>
<th>Page number</th>
<th>Explanatory notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMA</td>
<td>Training and awareness.</td>
<td></td>
<td>37,65</td>
<td></td>
</tr>
<tr>
<td>DMA</td>
<td>Monitoring and follow-up.</td>
<td></td>
<td></td>
<td>Compliance Officer</td>
</tr>
<tr>
<td><strong>Performance indicators</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SO1</td>
<td>SO1 Nature, scope and effectiveness of any programmes and practices that have an impact on communities.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SO2</td>
<td>Percentage and total number of business units analysed for risks related to corruption.</td>
<td></td>
<td>66</td>
<td></td>
</tr>
<tr>
<td>SO3</td>
<td>Percentage of employees trained in the organisation’s anti-corruption policies and procedures.</td>
<td></td>
<td>65-66</td>
<td></td>
</tr>
<tr>
<td>SO4</td>
<td>Actions taken in response to incidents of fraud/corruption.</td>
<td></td>
<td>65-66</td>
<td></td>
</tr>
<tr>
<td>SO5</td>
<td>Public policy positions and participation in public policy development and advocacy.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SO6</td>
<td>Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.</td>
<td></td>
<td></td>
<td>BAM makes no contributions of any kind to political parties or politicians.</td>
</tr>
<tr>
<td>SO7</td>
<td>Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes.</td>
<td></td>
<td></td>
<td>There are no known instances of non-compliance with this regulation at BAM.</td>
</tr>
<tr>
<td>SO8</td>
<td>Monetary value of significant fines and total number of non-monetary sanctions for non compliance with laws and regulations.</td>
<td></td>
<td></td>
<td>There are no known instances of non-compliance with this regulation at BAM.</td>
</tr>
<tr>
<td><strong>Social performance indicators: Product responsibility</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Insight into management approach</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DMA</td>
<td>Goals and performance.</td>
<td></td>
<td>54-55</td>
<td></td>
</tr>
<tr>
<td>DMA</td>
<td>Policy.</td>
<td></td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>DMA</td>
<td>Organisational responsibility.</td>
<td></td>
<td></td>
<td>CSR Director, CSR managers</td>
</tr>
<tr>
<td>DMA</td>
<td>Training and awareness.</td>
<td></td>
<td>37</td>
<td>CSR Director, CSR managers</td>
</tr>
<tr>
<td>DMA</td>
<td>Monitoring and follow-up.</td>
<td></td>
<td></td>
<td>CSR Director, CSR managers</td>
</tr>
<tr>
<td><strong>Performance indicators</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR1</td>
<td>Life cycle stages in which the health and safety impact of products and services is assessed for improvement, and the percentage of significant products and services categories subjected 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 the health and safety impact of products and services during their life cycle, by outcome type.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR3</td>
<td>Type of product and service information required according to procedures.</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 labelling, by outcome type.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR5</td>
<td>Policy related to customer satisfaction, including the results of customer satisfaction surveys.</td>
<td></td>
<td>25-26</td>
<td></td>
</tr>
<tr>
<td>PR6</td>
<td>Adherence to laws, standards and voluntary codes related to marketing (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 communication, including advertising, promotion and sponsorship, by outcome type.</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 client privacy and losses of client 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 non-compliance 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>
# Appendix 2: Overview of selection of sustainable tools and products at BAM

## Tool Reference

<table>
<thead>
<tr>
<th>Tool</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>GreenUp tool</td>
<td><a href="http://www.bam.nl/baminternet/baminternet/portalen/BAM_Utiliteitsbouw/contentDuurzaamheid/GreenUp_Tool_Film.jsp">www.bam.nl/baminternet/baminternet/portalen/BAM_Utiliteitsbouw/contentDuurzaamheid/GreenUp_Tool_Film.jsp</a></td>
</tr>
<tr>
<td>Toolkit Duurzame Woningbouw</td>
<td><a href="http://www.toolkitduurzamewoningbouw.nl">www.toolkitduurzamewoningbouw.nl</a></td>
</tr>
<tr>
<td>Toolkit Bestaande Bouw</td>
<td><a href="http://www.toolkitonline.nl/toolkit-bestaande-bouw.5353.lynxx">www.toolkitonline.nl/toolkit-bestaande-bouw.5353.lynxx</a></td>
</tr>
<tr>
<td>Toolkit Duurzame Kantoren</td>
<td><a href="http://www.aeneas.nl/toolkit-duurzame-kantoren.8152.lynxx">www.aeneas.nl/toolkit-duurzame-kantoren.8152.lynxx</a></td>
</tr>
<tr>
<td>Toolkit Duurzame Gebiedsontwikkeling</td>
<td>toolkitduurzamegebiedsontwikkeling.nl</td>
</tr>
<tr>
<td>PCC-tool (Project Carbon Calculator)</td>
<td><a href="http://www.bamco2desk.nl">www.bamco2desk.nl</a></td>
</tr>
</tbody>
</table>

## Product Reference

<table>
<thead>
<tr>
<th>Product</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zero Emissions Road:</td>
<td></td>
</tr>
<tr>
<td>Noise: GROAB, Redufalt, Dubofalt, SoundKiller</td>
<td><a href="http://www.emissielozeweg.nl">www.emissielozeweg.nl</a></td>
</tr>
<tr>
<td>Green areas: Integraal Technisch Groen</td>
<td></td>
</tr>
<tr>
<td>Light: Luxfalt, SmartLeds, Dynov</td>
<td></td>
</tr>
<tr>
<td>Air: CleanScreen, DustKiller, Fine Dust Reduction</td>
<td></td>
</tr>
<tr>
<td>Water: SouterRain, Run-offStopper</td>
<td></td>
</tr>
<tr>
<td>Energy: LichtWindTurbine (LWT), LEAB</td>
<td></td>
</tr>
<tr>
<td>Xbloct</td>
<td><a href="http://www.xbloc.com">www.xbloc.com</a></td>
</tr>
<tr>
<td>Ecobeach</td>
<td><a href="http://www.ecobeach.nl">www.ecobeach.nl</a></td>
</tr>
<tr>
<td>Dike pins</td>
<td><a href="http://www.dijkdeuvel.nl">www.dijkdeuvel.nl</a></td>
</tr>
<tr>
<td>Box Barrier</td>
<td><a href="http://www.boxbarrier.com">www.boxbarrier.com</a></td>
</tr>
<tr>
<td>Passive House</td>
<td><a href="http://www.w-en-r.nl">www.w-en-r.nl</a></td>
</tr>
<tr>
<td>Office Up</td>
<td><a href="http://www.office-up.nl">www.office-up.nl</a></td>
</tr>
<tr>
<td>Conscious Constructors</td>
<td><a href="http://www.bewustebouwers.nl">www.bewustebouwers.nl</a></td>
</tr>
<tr>
<td>Cradle to Cradle</td>
<td><a href="http://www.epea.com">www.epea.com</a> / <a href="http://www.tebodin.com">www.tebodin.com</a></td>
</tr>
<tr>
<td>W&amp;R Green Home</td>
<td><a href="http://www.w-en-r.nl">www.w-en-r.nl</a></td>
</tr>
<tr>
<td>Recycling of ballast from railways to roads</td>
<td><a href="http://www.w-en-r.nl/client/bam/upload/images/groenwoning_online.swf">www.w-en-r.nl/client/bam/upload/images/groenwoning_online.swf</a></td>
</tr>
<tr>
<td>Quieter Trains</td>
<td><a href="http://www.bamrail.nl">www.bamrail.nl</a></td>
</tr>
<tr>
<td>Kip Quiet</td>
<td><a href="http://www.bamciviel.nl">www.bamciviel.nl</a></td>
</tr>
<tr>
<td>Vegetation roofs</td>
<td><a href="http://www.mostertdewinter.nl">www.mostertdewinter.nl</a></td>
</tr>
<tr>
<td>Modulogreen®</td>
<td></td>
</tr>
<tr>
<td>e-Calculator</td>
<td><a href="http://www.e-calculator.nl">www.e-calculator.nl</a></td>
</tr>
</tbody>
</table>

**Note:** This table and this section provide an overview of sustainable tools and products used by BAM. For detailed information, please visit the respective websites.
Appendix 3:
Certificates

<table>
<thead>
<tr>
<th>Operating company</th>
<th>Certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAM Techniek</td>
<td>VCA ***, VCA Petrochemicals, ISO 14001, ISO 9001, BRL 6000 (scope 1 to 8), SCIOS, BMI, BRL 9500 (scope 00, 03, 04), Decree on Florinated Greenhouse Gases (F Gassenbesluit), BRL BORG, Criteria for Supervision, LPS 1233 Fire extinguishing installations, CATO</td>
</tr>
<tr>
<td>BAM Infratechniek</td>
<td>ISO 9001, VCA **, CKB, BTR, CO₂ performance ladder, ISO 14001, Workplace Safety Company, OHSAS 18001</td>
</tr>
<tr>
<td>BAM Woningbouw</td>
<td>ISO 9001, VCA, Conscious Constructors Hallmark member, FSC certificate for the head office</td>
</tr>
<tr>
<td>BAM Utiliteitsbouw</td>
<td>ISO 9001, VCA ***, Sector-specific Explanation of Rail Infrastructure, Recognised Restoration Construction Company (ERB), Conscious Constructors Hallmark member, and national FSC</td>
</tr>
<tr>
<td>BAM Infraconsult</td>
<td>ISO 9001 (BAM Infraconsult, Delta Marine Consultants and Multiconsult), VCA ***, ProRail recognition</td>
</tr>
<tr>
<td>BAM Materiel</td>
<td>ISO 9001, VCA **B</td>
</tr>
<tr>
<td>BAM Civiel</td>
<td>CO₂ awareness certificate level 5, ISO 9001, VCA ***, Sector-specific Explanation of Rail Infrastructure 2004</td>
</tr>
<tr>
<td>BAM Wegen</td>
<td>ISO 9001, ISO 14001, VCA Petrochemicals, Sector-specific Explanation of Rail Infrastructure, OHSAS 18001, ProRail CO₂ awareness level 5</td>
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<td>BAM Milieu</td>
<td>BRL 7000 (water) soil decontamination, BRL 2319, BRL 2362, BRL 2372</td>
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<tr>
<td>Hoka Verkeertechniek</td>
<td>BRL 9101</td>
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<td>Asphalt plants</td>
<td>BRL 9320</td>
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<td>Mostert De Winter</td>
<td>BRL roof and façade plants, BRL green areas, BRL garden design and maintenance, BRL 7000 protocol 7003 cleanup of contaminated aquatic sediment</td>
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<td>BAM Betonwegen/</td>
<td>BRL 3201</td>
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<td>Betontechnieken</td>
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<td>BAM Geleiderail</td>
<td>BRL 9161</td>
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<tr>
<td>BAM Wegen bv Region 'West'</td>
<td>FSC Chain of Custody, BRL 9335</td>
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<td>BAM International</td>
<td>ISO 9001, OHSAS 18001</td>
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<td>BAM Decorient</td>
<td>ISO 9001, OHSAS 18001, ISO 14001</td>
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<tr>
<td>Tebodin</td>
<td>ISO 14001: Tebodin Hungary, Romania, Czech Republic, Oman</td>
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<td></td>
<td>ISO 9001-EN: Tebodin Abu Dhabi, Dubai, Russia, Romania, Netherlands b.v., Oman, Poland, Ukraine, Slovakia, Hungary, Germany, Czech Republic, China, Tebodin b.v.</td>
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<td>OHSAS 18001: Tebodin Czech Republic, Romania, Oman, Slovakia</td>
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<td>SCC **; Tebodin Netherlands b.v., Germany</td>
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<td>ISO 9001-CN: Tebodin China</td>
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<td>Heilijgers</td>
<td>ISO 9001, VCA, Client-Oriented Construction Hallmark (Keurmerk Klantgericht Bouwen)</td>
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<td>Pennings</td>
<td>VCA and FSC certificate</td>
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<td>Interbuild</td>
<td>VCA ***, ISO 9001, ISO 14001</td>
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<td>CEI-De-Meyer</td>
<td>VCA ***, ISO 9001</td>
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<td>Betonac</td>
<td>VCA ***, ISO 9001, BENOR ready-mix concrete, BENOR manual concrete recovery from carbonated concrete</td>
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<td>Galère</td>
<td>VCA ***, ISO 9001, OHSAS 18001, ISO 14001</td>
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<td>FED</td>
<td>ISO 9001, VCA **</td>
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<tr>
<td>Operating company</td>
<td>Certification</td>
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<tr>
<td>Balteau</td>
<td>Joint ISO and VCA** certificates shared with Galère</td>
</tr>
<tr>
<td>BAM Nuttall</td>
<td>ISO 9001, ISO 14001, BS OHSAS 18001</td>
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<td>BAM Construct UK</td>
<td>ISO 14001, ISO 9001</td>
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<tr>
<td>BAM Contractors (BAM Civil, Buildings)</td>
<td>ISO 14001, ISO 9001, Safe T certificate Rating A, DNV level 6</td>
</tr>
<tr>
<td>BAM Deutschland</td>
<td>ISO 9001 BAM Deutschland HBM Stadien- und Sportstättenbau GmbH (construction of stadiums and sports centres)</td>
</tr>
<tr>
<td></td>
<td>ISO 9001 BAM Müller Altvatter building management proof of suitability hammer and pneumatic drilling, HAVO certification, AMS Bau (NLF/IL-OSH)</td>
</tr>
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</table>
| Wayss & Freytag Ingenieurbau      | - ISO 9001  
- Proof of suitability in accordance with manufacturers’ and users’ decree (HAVO) for the manufacture and use of concrete of monitoring class 2 and 3 and with other special properties on construction sites in accordance with DIN 1045-3  
- Proof of suitability in accordance with manufacturers’ and users’ decree (HAVO) for repairing load bearing concrete parts, the stability of which is at risk  
- Prequalification: 111-09 Concrete maintenance, 311-01 Working with concrete and reinforced concrete  
- Laying, maintaining and repairing layers of concrete structures when using substances which are harmful to water (WHG)  
- Laying concrete when working with substances which are harmful to water (WHG)  
- Laying, maintaining and repairing layers of concrete structures when using substances which are harmful to water  
- Structural maintenance hallmark (GEB)  
- Concrete hallmark(b)  
- KTA 1401, Planning and laying of reinforced concrete and construction of reinforced concrete structures for nuclear plants, including dismantling |
## Appendix 4: Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td><strong>Excavation waste</strong></td>
<td>Waste product of excavation work, carried out, for instance, when building preparatory work, levelling work and excavating foundations, basements, tunnels and service channels, which waste consists primarily of soil and stone.</td>
</tr>
<tr>
<td><strong>AIOV</strong></td>
<td>General Terms and Conditions of Purchasing and Subcontracting (Algemene Inkoop- en Onderaannemingsvoorwaarden).</td>
</tr>
<tr>
<td><strong>A-list suppliers</strong></td>
<td>Limited number of suppliers who account for the largest portion (60%) of purchasing turnover.</td>
</tr>
<tr>
<td><strong>BIM</strong></td>
<td>Building Information Modelling is a design and construction method whereby the building or construction is built as a 3D-model and database in a computer.</td>
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<tr>
<td><strong>BIS suppliers</strong></td>
<td>Suppliers (both facility management/ICT and construction process-related suppliers) with which BAM operating company-wide contracts have been concluded.</td>
</tr>
<tr>
<td><strong>Construction waste</strong></td>
<td>Waste generated on the building site that cannot be categorised as either demolition or excavation waste.</td>
</tr>
<tr>
<td><strong>BREEAM</strong></td>
<td>Building Research Establishment Environmental Assessment Method is a way to calculate a building’s sustainability performance. BREEAM sets a standard for a sustainable building and then indicates the level of performance of the building assessed. The aim is to subject buildings to an assessment and obtain a sustainability label (i.e. pass, good, very good, excellent and outstanding).</td>
</tr>
<tr>
<td><strong>CCS</strong></td>
<td>Considerate Construction Scheme is a UK-wide initiative of the construction industry, designed to improve its image. CCS-registered construction sites and companies are inspected in accordance with the Code van Considerate Practice.</td>
</tr>
<tr>
<td><strong>CO₂ emissions</strong></td>
<td>Carbon dioxide (CO₂) released into the atmosphere. CO₂ results from the oxidation of hydrocarbons, such as the burning of fossil fuels.</td>
</tr>
<tr>
<td><strong>DBFMO</strong></td>
<td>Design, Build, Finance, Maintain and Operate is a tendering format, in which not only all construction phases, but all funding responsibility is transferred to a private party for an extended period of time (e.g. 20, 25 or 30 years).</td>
</tr>
<tr>
<td><strong>DBOM</strong></td>
<td>Design, Build, Operate and Maintain is a form of building contract in which one of the parties bears responsibility for a predetermined period of time for the design, construction, occupancy and use of a building/construction.</td>
</tr>
<tr>
<td><strong>EU 20-20-20 Objectives</strong></td>
<td>Long-term EU strategy for a strong, sustainable economy, achieved by means of a 20% greenhouse gas emissions reduction compared to 1990, a 20% increase in energy efficiency and 20% renewables in the energy mix.</td>
</tr>
<tr>
<td><strong>ECTP</strong></td>
<td>European Construction Technology Platform approaches development in the construction sector from the perspective of society, sustainability and technological advancements.</td>
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<tr>
<td><strong>EEA</strong></td>
<td>European Environment Agency is an Agency of the EU that works to enhance the value of information about the environment. The EMA currently has 32 member countries.</td>
</tr>
<tr>
<td><strong>ENCORD</strong></td>
<td>European Network of Construction Companies for Research and Development is the European forum for research, development and innovation processes managed by the construction sector.</td>
</tr>
<tr>
<td><strong>EPC</strong></td>
<td>Energy Performance Coefficient is the unit used to express the Energy Performance Standard (EPN). The EPC for new build homes was tightened from 0.8 to 0.6 with effect from 1 January 2011. An EPC of 0 is in principle comparable to ‘energy neutral’.</td>
</tr>
<tr>
<td><strong>Ethibel</strong></td>
<td>Independent advisory agency for socially responsible investments, which advises banks and estate agents on the provision of ethically sound savings accounts and investment funds.</td>
</tr>
<tr>
<td><strong>EWC</strong></td>
<td>European Works Council.</td>
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<tr>
<td><strong>FSC</strong></td>
<td>Forest Stewardship Council is an international organisation which promotes responsible forest stewardship. The FSC sets global standards for forest management with an associated hallmark.</td>
</tr>
<tr>
<td><strong>GHG Protocol</strong></td>
<td>Greenhouse Gas Protocol serves as an international administrative tool for governments and business leaders to gain a better understanding of quantifying and managing greenhouse gas emissions.</td>
</tr>
<tr>
<td><strong>GRI</strong></td>
<td>Global Reporting Initiative is a network based organisation that pioneered the world’s most widely used sustainability reporting framework.</td>
</tr>
</tbody>
</table>
**IF**

Incident Frequency is the BAM index for accidents/incidents and is defined as the number of industrial accidents resulting in absence from work per million hours worked on construction sites. An industrial accident resulting in absence from work is defined as an incident occurring during the performance of paid activities and resulting in physical injury or illness, where the individual concerned is absent for at least the whole of the following normal working day. The IF includes data for all operating companies and for joint ventures of BAM International in which BAM serves as the lead partners.

**Office waste**

Waste created by office activities, e.g. paper and cardboard.

**KPI**

Key performance indicators, also known as critical performance indicators, are variables used to analyse company performance.

**LEAB**

Low Energy Asphalt Concrete is a type of asphalt developed by BAM, which requires less energy to produce than traditional asphalt, as it is produced at a temperature of 95°C rather than 165°C.

**Lean construction**

Building and construction method aimed at eliminating waste and other aspects that offer no added value to the process.

**NGO**

Non-governmental organisation is an organisation, which is independent of the government and which addresses a social issue in a certain way.

**OHSAS**

Occupational Health & Safety Advisory Services is an HSE safety system that establishes requirements for an HSE management system by means of which the organisation can manage work-related HSE risks and improve the system’s performance.

**PPP**

Public Private Partnerships.

**ProRail performance ladder**

ProRail is responsible for the railway network in the Netherlands. The ProRail performance ladder was developed to encourage companies which respond to tenders to determine and reduce their own CO₂ emissions. The more effort an organisation makes to reduce its CO₂ emissions, the greater its chance of being awarded a contract.

**QHSE**

Quality Health Safety and Environment.

**SAA**

Safety Awareness Audits are part of an evaluation system developed in-house to determine the extent and quality of accident control by management.

**Demolition waste**

Waste product of certain types of demolition work.

**Value engineering**

Is a systematic method for the technical elaboration of a design to improve the ‘value’ of goods and services by examining their function. Value in this context is defined as the ratio of function to cost.

**VBDO**

Association of Investors for Sustainable Development (Vereniging van Beleggers voor Duurzame Ontwikkeling) is the association established to promote the sustainability of the capital market. VBDO raises the awareness of multinationals and investors of the contribution they can make to a sustainable capital market by reminding them of their responsibilities to the public.

**W&R Green Home**

Sustainable and energy-efficient homes.

**ZOAB**

Very Open Asphalt Concrete (Zeer Open Asfalt Beton) is a type of asphalt with a high percentage of hollow space, which serves to absorb noise.

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This is an English translation of the original Dutch-language report.
Should different interpretations arise, the Dutch version prevails (except for BAM’s Business principles).