

# Communication on Progress

**Participant**

Van Gansewinkel

**Published**

2012/09/05

**Time period**

2012/09/05 - 2013/09/05

**Format**

Stand alone document – Basic COP Template

**Differentiation Level**

This COP qualifies for the Global Compact Active level

**Self-assessment**

- Includes an explicit statement of continued support for the UN Global Compact and its ten principles
- Description of actions or relevant policies related to Human Rights
- Description of actions or relevant policies related to Labour
- Description of actions or relevant policies related to Environment
- Description of actions or relevant policies related to Anti-Corruption
- Includes a measurement of outcomes

**Statement of continued support by the Chief Executive Officer**

*Statement of the company's chief executive (CEO or equivalent) expressing continued support for the Global Compact and renewing the company's ongoing commitment to the initiative and its principles.*

5 September 2013

To our stakeholders:

I am pleased to confirm that Van Gansewinkel Groep reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Cees van Gent  
CEO Van Gansewinkel

## Human Rights

### Assessment, policy and goals

*Description of the relevance of human rights for the company (i.e. human rights risk-assessment).  
Description of policies, public commitments and company goals on Human Rights.*

#### Code of conduct

It is Van Gansewinkel's firm belief that it is impossible to create value without respecting values. In everything we do, we seek to comply with applicable laws and regulations, to make our compliance visible and transparent and to go about our business with integrity. That is why our policy principles and core values and the principles of the UN Global Compact serve as the point of departure, for how we want all our people to conduct themselves. This is how we safeguard our standards and values: for our employees, our customers, our suppliers, our shareholders and the world around us. In 2012 the 2011 Draft of the Code was updated in collaboration and accordance with the Central Works Council describing:

- our organisation
- business integrity
- responsibilities of the company
- responsibilities of the employees

The code sets out important elements of desired integrity and also contains the Company's underlying policy principles, in which full reference is made to the 10 principals of the UN Global Compact.

#### Policy principles

- To realise growth for the company and its employees
- To bring about intensive and innovative cooperation with customers in order to provide the best possible service
- To supply raw materials and fuels as a second life for all waste products
- To contribute to a sustainable development of society
- To take social responsibility

#### Core values

- *Putting the customer first*  
We are involved, genuinely interested and customer oriented
- *Progressive*  
Our vision is Waste No More.
- *Partnership and trust*  
We guarantee integrity and transparency in the processing of material streams
- *Prioritising safety*  
We want everyone who works for us to be able to go home healthy and well
- *Promoting competence and expertise*  
We encourage personal growth and collaboration

### Implementation

*Description of concrete actions to implement Human Rights policies, address Human Rights risks and respond to Human Rights violations.*

#### Integrity

In 2012 the 2011 draft code of conduct was updated. Since 2010 we also have been working actively to give shape and substance to the theme of integrity. Besides a corporate Integrity Manager we have local integrity contacts in place. Furthermore, we have a specific communication path for integrity-related investigations and a complaints procedure for the manner in which integrity investigations are conducted.

Our Integrity Investigations Registration System became operational in 2012. This management system is part of our reporting system Trackwise. Moreover, we worked on further developing training sessions and workshops dealing with integrity and organised a number of such sessions and

workshops. Furthermore, Van Gansewinkel's Integrity Manager participated in the annual Integrity Experts Meeting: a joint initiative in which various national parties are presented, for example the Ministry of Justice, the Tax and Customs Administration, the police, the Employee Insurance Agency, the Ministry of the Interior, courts, the Immigration and Naturalisation Service, as well as commercial operators such as ING Bank, Rabobank, KLM, Akzo Nobel, Shell, DSM, Holland Casino and Ahold. The purpose is to exchange not only know-how and expertise, but also instruments with concrete applications in order to achieve a higher level of integrity within each of the separate organisations.

The coming period will be used to help staff and management learn to view integrity and a regular process, one that is not controlled purely by protocols. Risk management will be part of this. Many of these kinds of issues, whether they are about integrity of the workforce, use of social media or eliminating aggression and violence, will be addressed during training sessions/workshops and in advice.

### **Sustainable supply chain management**

Van Gansewinkel has a formal monitoring process in place of the supply chain. We explicitly includes sustainable development as a factor when selecting and assessing processing businesses and, increasingly, suppliers. This hinges on demonstrable compliance with requirements laid down in laws and regulations, mutual arrangements and care for the supply chain.

In 2012, we continued our efforts to centralise and standardise our records of processing businesses in a central database and to give shape to monitoring the integrity of the data entered. We assess processing businesses and suppliers based on risk profiles that we draw up of our partners. They are audited by Van Gansewinkel employees trained specifically for that job. The results are recorded in a specially designed section of our management system.

### **Measurement of outcomes**

*Description of how the company monitors and evaluates performance.*

#### **Integrity**

In 2012, we received 21 integrity reports. Some of this year's reports again came from within the organisation, while others were made by individuals and institutions outside the organisation. The reports concerned two instances of aggression and violence (internal), nine instances of crime (primarily theft), two instances of fraud, five instances of improper use of company assets, of which five reports were in relation to illegal waste collection (either paid or unpaid), one instance of improper use of confidential information and a report of two armed robberies at a Van Gansewinkel site.

Of the 21 reports, 19 were taken under investigation and two were reclassified as integrity advice and as such were designated as not requiring investigation. Three investigations are still ongoing in 2013, and two investigations were started in January 2013. We are working with the police in our investigations of the armed robberies and one instance of internal fraud. These criminal investigations had not been completed by the end of 2012. Several instances resulted in reports being filed with the police, and in some cases criminal investigations were conducted. Involvement in integrity infringements led to 12 employees being dismissed. A worker on secondment with Van Gansewinkel was relieved of his duties and summarily dismissed by his employer in connection with fraud committed at Van Gansewinkel.

Advisory reports were issued on 38 occasions during 2012. The subjects of those advisory reports vary, ranging from stalking, security, narcotics, assistance with criminal investigations, tackling vehicle-related crime and false identity, ICT fraud, theft and phantom invoices.

Particularly during the final quarter of the year, Van Gansewinkel received numerous phantom invoices, as they are known, from various countries. In response, we worked on alertness to fraud, detection and handling (either internally or by the judiciary). Naturally this enabled us to prevent various payments from being made.

Van Gansewinkel did not receive any complaints about violations of human rights in 2012.

**Sustainable supply chain management**

Depending on the score, processing businesses will be assigned a high/medium/low risk profile. The criteria are the type of waste processed, the business's situation with regard to permits, the system certificates achieved, whether or not the business processes cross-border waste and the country of final processing business. Depending on the risk profile, we might assess additional or fewer details relating to compliance with laws and regulations. Negative reports about our partners also give us cause to take additional steps or to assign a higher risk profile to particular businesses.

In 2011 we commenced work on a methodology for selecting and assessing critical suppliers. That methodology is an extension of the methods used for processing businesses. Suppliers are initially assessed based on their impact on our primary process, on the risk they pose for our image and on revenue. A series of checklists is used to assign each supplier a level per separate theme. Themes considered in this connection include compliance with laws and regulations, orderliness and neatness, safety, care system, quality of processes and products and social themes. These themes are compared with the guidelines set out in the UN Global Compact. The Group audits its critical suppliers at least once every three years. Five audits were conducted last year. Scores of 'Good' were awarded for two of those audits, with two others scoring 'Satisfactory'. The score for one audit was initially 'Unsatisfactory'. However, after adjustments were made the status of 'Good' was as yet awarded.

## **Labour**

### **Assessment, policy and goals**

*Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities). Description of written policies, public commitments and company goals on labour rights.*

In 2012 the 2011 Draft of the Code was updated in collaboration and accordance with the Central Works Council describing:

- our organisation
- business integrity
- responsibilities of the company
- responsibilities of the employees

The codes sets out important elements of desired integrity and also contains the Company's underlying policy principles, in which full reference is made to the 10 principals of the UN Global Compact.

### **Implementation**

*Description of concrete actions taken by the company to implement labour policies, address labour risks and respond to labour violations.*

#### **Employee participation**

Van Gansewinkel Groep encourages employee participation, and for that purpose actively seeks out the dialogue with its employees and representatives (employee participation councils). We believe that cooperation with those councils and unions is an important factor in realising our mutual goals.

Employee participation at our group is given shape where the actual activities take place: in the businesses. As such, almost every division has its own works council. Group Works Councils for Collection, Recycling and Processing also exist, as well as a Central Works Council. Each works council has formed a SHWE (Safety, Health, Welfare and Environment) committee, as required by the Dutch Working Conditions Act (Arbowet). In all, 118 and 39 workers, respectively, were active in the various Dutch and Belgian works councils.

#### **Collective employment agreement**

Over 90% of Van Gansewinkel Groep's employees are subject to a collective employment agreement or other form of collective scheme. Under the collective employment agreements, salaries are based on the pay grades for specific jobs. As such, no measurable difference exists between the salaries of male and female workers. The collective employment agreements for Professional Goods Transport by Road (Beroepsgoederenvervoer over de weg), WENb (Waste & Environment sector), Metalworking Industry (Metaalnijverheid) and Orsima are in force in the Netherlands. In Belgium indirect workers have what is commonly known as collective insurance. Direct workers fall under three joint committees: PC 226 (transport/logistics), PC 121 (cleaning) en PC 142 (recovery of materials). These include pension schemes and early retirement schemes. In the Czech Republic, two subsidiaries – Tempos a.s. and Van Gansewinkel Services sro – have collective employment agreements. The other employees, like those in Poland, have individual contracts that are based on internal regulations and prevailing laws and regulations. There, too, no distinction is made between men and women. The conditions for permanent employees, such as insurance, healthcare and leave entitlement, also apply to temporary workers.

#### **Health and safety**

Following its introduction in 2007 and its concrete implementation at the various regions and businesses of the Group, the injury frequency rate dropped annually by more than 20% until the end of 2011. In 2012, the injury frequency and severity rate rose slightly. Nevertheless, the figures remained low compared with the sector-average results. For the third consecutive year we did not experience any fatal incidents.

The lost time injuries, 109 in all, mostly concerned bruises, sprains and cuts. The victims of those incidents were men on 105 occasions and women in 4 other instances. Regrettably 25 serious incidents occurred, one involving a female victim. Those incidents involved broken bones and amputations. In 2 cases the victims lost parts of fingers. The most serious incident involved a Dutch employee being struck by a roll of paper, breaking 12 ribs and damaging 2 vertebrae in his neck. The employee eventually made a full recovery from his injuries.

Van Gansewinkel records all incidents and hazardous situations in TrackWise. We use this system to analyse and follow up on reports from within the organisation. The causes, actions and lessons learned are communicated internally, to draw continual attention to safety and to increase awareness.

We also teach our external workers about safety and provide them with relevant basic training. Our efforts in this respect are successful: compared with 2011 the injury frequency rate for temporary workers improved by 80%. Nevertheless, the injury frequency rate for temporary workers was 14% higher than among our own employees (9.3 compared with 8.0) in 2012.

### **Prevention**

To help reduce the number of incidents further, Van Gansewinkel places an emphasis on reporting unsafe actions and hazardous situations, the 'near misses'. This means that we are mapping out the underlying layers of the accident pyramid more carefully as well. To this end we report all incidents, for example incidents leading to different work or hospitalisation and first-aid incidents, in a clear-cut manner. These reports enable management to respond even better to near misses and help to prevent those near misses from becoming incidents.

Targets have been defined for several of the incident categories identified. This shows whether our accident pyramid is a 'healthy' one. The results for 2012 were as follows:

- The number of total recordable cases compared with the number of lost time injuries: 3.1, with a target of 3;
- The number of first-aid cases compared with the number of lost time injuries: 5.5, with a target of 10;
- The number of near misses compared with the number of lost time injuries: 51.7, with a target of 50;

These results show that the numbers reported for recordables and near misses are higher than the targets defined. Only first-aid incidents remain under-reported. As such, we will launch a series of initiatives locally to ensure better reporting of first-aid incidents. The reporting of near misses improved further and exceeded the target, thanks to a series of initiatives aimed at making reporting easier.

### **Absence**

For Van Gansewinkel's total workforce, the absence rate percentage was 5.0% in 2012. We hope to bring this percentage down to 4.9% in 2013. The frequency with which employees called in sick last year was 1.9%.

### **Awareness raising – integrity**

In 2012 the 2011 draft code of conduct was updated. Since 2010 we also have been working actively to give shape and substance to the theme of integrity. Besides a corporate Integrity Manager we have local integrity contacts in place. Furthermore, we have a specific communication path for integrity-related investigations and a complaints procedure for the manner in which integrity investigations are conducted. Moreover, we worked on further developing training sessions and workshops dealing with integrity and organised a number of such sessions and workshops. Furthermore, Van Gansewinkel's Integrity Manager participated in the annual Integrity Experts Meeting: a joint initiative in which various national parties are presented. The purpose is to exchange not only know-how and expertise, but also instruments with concrete applications in order to achieve a higher level of integrity within each of the separate organisations.

The coming period will be used to help staff and management learn to view integrity and a regular process, one that is not controlled purely by protocols. Risk management will be part of this. Many of these kinds of issues, whether they are about integrity of the workforce, use of social media or eliminating aggression and violence, will be addressed during training sessions/workshops and in advice.

## Measurement of outcomes

*Description of how the company monitors and evaluates performance.*

### Measurement of results

Every two years Van Gansewinkel Groep conducts an Employee Motivation Survey (EMS). The surveys show how the company manifests itself in ever-changing circumstances and provides information about areas that require more adjustment.

Van Gansewinkel Groep's next EMS was scheduled to take place in December 2012. That was a turbulent time, however: it was just then that we presented the plans for improvement and announced which employees would be made redundant as a result of the restructuring. Because of these extraordinary developments, we decided to shift the EMS to 2013. An important principle is that the survey be conducted in a stable situation; some time after the new organisation has been given shape. We expect that by doing so we can make a reliable comparison with previous years' findings.

However, the managing boards of various divisions and regions of Van Gansewinkel Groep managed to finalise the plans for improvement in 2012 that had been drawn up with input from the local works councils based on the most recent EMS. The plans were based on the centrally defined priorities: 1) organisation, 2) opportunities for development and 3) working conditions. We informed our staff about some of these initiatives using publications in our regular internal media.

The following are some examples of local improvements based on the group's most recent EMS:

1. *Better information at Van Gansewinkel Minerals*  
Employees of Van Gansewinkel Minerals wanted to be kept informed better. Several actions were implemented during the year, including a decision to increase the frequency of the local staff magazine, changes to consultation structures and investments in training and education.
2. *Formation of EMS project teams for each site and information sessions at Van Gansewinkel South*  
To better structure the follow-up to the findings resulting from the EMS, Van Gansewinkel's Southern region formed separate project teams at each of its sites. Those teams included drivers, loaders, planners, order processors, service desk staff and garage staff. Even management joined in. The purpose of the teams is to serve as an approachable point of contact for staff and to periodically discuss the status of the plans for improvement, one of the aims being to improve communication between separate departments and the provision of information to the people on the work floor. For example, the region organised a series of information sessions to structurally feed the basic knowledge of sales staff and to put forward ideas for better customer retention.
3. *Call for and implementation of new ideas at Van Gansewinkel North*  
The wishes and complaints of the people on the work floor, particularly at Operations, were not reaching management properly. In response, Van Gansewinkel's Northern region set up the project 'The best idea of'. All Operations employees were asked to put forward ideas for safety, engagement and customer focus. This call produced 400 ideas, which were then judged in terms of originality and practical and economic feasibility. Five ideas were rewarded with prizes, which were handed out during a special evening event. The ideas have currently been implemented or are in the process of being implemented.
4. *Tackling problem areas using the 'tree of goals' at the Financial Shared Service Centre*  
At the Financial Shared Service Centre (FSSC), a project group investigated possibilities for further improving employee satisfaction. A list was drawn up of everything that was causing difficulties. Those findings were organised into a 'tree of problems', to show the causes and connections. This was then taken as the basis for creating a 'tree of goals', to eliminate the problems identified and bring about improvements one step at a time. All actions that had been agreed upon were realised in 2012. A new workgroup will update the tree of goals and see what areas still require further measures.

Van Gansewinkel will continue to use EMSs as control tools. The surveys serve as a driver for implementing improvements and emphasise the importance of happy employees and management's responsibility in that connection.

**Male/female diversity**

Van Gansewinkel had operations in nine European countries in 2012. The workforce increased from 6,027 to 6,226 employees (not including temporary workers). Besides the 6,226 employees, an average of 1,069 FTEs from temporary employment agencies worked for the company over the course of the year.

The company had 5,138 male employees and 1,088 female employees with fixed-term or permanent employment contracts. The corresponding figures for 2011 were 4,967 men and 1,060 women. This means that the shift in the proportions during 2012 was marginal.

**Male/female diversity in management**

Management (members of the Board of Directors, directors of the central support departments and regional management teams) of Van Gansewinkel Groep comprises mostly men. The group of staff reporting directly to members of the Board of Directors is made up entirely of 19 men. The 'Top 200', as it is commonly known, consisted of 174 employees: 149 men and 25 women.

**Staff turnover**

The number of employees no longer working for Van Gansewinkel divided by the number of employees at year-end represents staff turnover. In 2012 this figure was 11.6%, compared with 10.6% in the previous year. Staff turnover appears to have risen only slightly, despite the restructuring that began at the end of the year; this is because the numerical effects of the staff cutbacks begin in 2013. As such, staff turnover for 2013 is expected to be higher than in 2012.

**Collective employment agreement**

Over 90% of Van Gansewinkel Groep's employees are subject to a collective employment agreement or other form of collective scheme. Under the collective employment agreements, salaries are based on the pay grades for specific jobs. As such, no measurable difference exists between the salaries of male and female workers. The collective employment agreements for Professional Goods Transport by Road (Beroepsgoederenvervoer over de weg), WENb (Waste & Environment sector), Metalworking Industry (Metaalnijverheid) and Orsima are in force in the Netherlands. In Belgium indirect workers have what is commonly known as collective insurance. Direct workers fall under three joint committees: PC 226 (transport/logistics), PC 121 (cleaning) en PC 142 (recovery of materials). These include pension schemes and early retirement schemes. In the Czech Republic, two subsidiaries – Tempos a.s. and Van Gansewinkel Services sro – have collective employment agreements. The other employees, like those in Poland, have individual contracts that are based on internal regulations and prevailing laws and regulations. There, too, no distinction is made between men and women. The conditions for permanent employees, such as insurance, healthcare and leave entitlement, also apply to temporary workers.

**Suppliers**

Van Gansewinkel audits its critical suppliers at least once every three years. Five audits were conducted last year. Scores of 'Good' were awarded for two of those audits, with two others scoring 'Satisfactory'. The score for one audit was initially 'Unsatisfactory'. However, after adjustments were made the status of 'Good' was as yet awarded.

**Information and management systems**

Because every incident is one too many, incidents and dangerous situations are recorded in TrackWise. Those records are used for analysis and follow-up within the organisation. The causes, actions and lessons learned are communicated throughout the organisation, to draw continual attention to safety and to increase awareness.

Van Gansewinkel Groep has set up environmental management systems at all its critical businesses and locations. This means that potential hazards (for example fire) have been identified, the risks and impact calculated and appropriate control measures put in place. Each operational entity has trained staff and has built suitable checks into the process of acceptance and processing. No corners are cut with investments aimed at supporting these control measures. If an incident as yet occurs, the emergency plans will be put into action. Our organisation's readiness is tested regularly by means of training sessions. The company adopts a proactive central (crisis) communication policy in the case of incidents.



### **Independent verification of management systems**

Van Gansewinkel Groep's management systems are audited and certified by Bureau Veritas Certification. The regular audit team is involved in periodic meetings and training sessions in order to continually improve the depth of the external audits. In 2012, special emphasis was placed on verifying the extent to which our activities are compliant.

The external audits conducted in 2012 (196.5 audit days for the whole group) resulted in 129 Non-Compliance Reports (NCRs), of which 19 'majors' and 110 'minors'. These figures are virtually unchanged compared with 2011 (130 NCRs), despite the increase in the number of certificates, particularly OHSAS 18001.

The three most frequent NCRs concerned the following elements (or non-compliance therewith):

- Production realisation: 39 NCRs;
- Measurement and monitoring: 27 NCRs;
- Risk management: 13 NCRs.

The separate units are required to remedy all these NCRs within three months, and the remedies must be accepted by Bureau Veritas Certification. To date we have succeeded in doing so. The final outstanding actions will be completed early in 2013.

### **Compliance**

Last year, we paid a total of ten material penalties/sanctions of more than €500 for non-compliance with laws and regulations. Two instances concerned non-compliance with the Dutch Working Conditions Act (Arbowet), two instances involved violations of ADR regulations (transport of hazardous goods), one instance concerned an overload of a vehicle and one instance concerned a vehicle with an excessive height. The competent authorities also imposed four orders for incremental penalties for:

- non-observance of the maximum transfer capacity under the relevant permit. A penalty of €1,500 was imposed;
- two instances of storing a container in locations for which no permit had been issued. A total penalty of €4,000 was imposed;
- non-compliance with regulations under the Dutch Major Accidents (Risks) Decree (Besluit Risico's Zware Ongevallen). A penalty of €25,000 was imposed.

The total penalty was €48,250. We will continue to monitor claims that are still being processed and will report on them in a later sustainability report once they have been finalised.

### **Integrity**

In 2012, we received 21 integrity reports. Some of this year's reports again came from within the organisation, while others were made by individuals and institutions outside the organisation. The reports concerned two instances of aggression and violence (internal), nine instances of crime (primarily theft), two instances of fraud, five instances of improper use of company assets, of which five reports were in relation to illegal waste collection (either paid or unpaid), one instance of improper use of confidential information and a report of two armed robberies at a Van Gansewinkel site.

Of the 21 reports, 19 were taken under investigation and two were reclassified as integrity advice and as such were designated as not requiring investigation. Three investigations are still ongoing in 2013, and two investigations were started in January 2013. We are working with the police in our investigations of the armed robberies and one instance of internal fraud. These criminal investigations had not been completed by the end of 2012. Several instances resulted in reports being filed with the police, and in some cases criminal investigations were conducted. Involvement in integrity infringements led to 12 employees being dismissed. A worker on secondment with Van Gansewinkel was relieved of his duties and summarily dismissed by his employer in connection with fraud committed at Van Gansewinkel.

Advisory reports were issued on 38 occasions during 2012. The subjects of those advisory reports vary, ranging from stalking, security, narcotics, assistance with criminal investigations, tackling vehicle-related crime and false identity, ICT fraud, theft and phantom invoices.

Van Gansewinkel did not receive any complaints about violations of human rights in 2012.

## Environment

### Assessment, policy and goals

*Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection.*

The global scarcity of raw materials forms the basis for our strategy. As a raw material and energy supplier Van Gansewinkel can make a significant contribution to fighting raw material scarcity and global warming. Together with customers and other stakeholders, recycling and waste prevention can help keep natural raw materials in the environment. And, in nearly every instance, recycling leads to CO<sub>2</sub> reduction.

In 2012, 79% of the waste was given a second life by being used as a raw material or being usefully applied as green energy. By giving 57.8% of the waste a second life in the form of raw materials or building materials, Van Gansewinkel prevented the emission of 1.38 million tons of CO<sub>2</sub> in the chain. The second life percentage fell just short of the ambition expressed last year. The CO<sub>2</sub> emissions prevented in the whole chain slightly exceeded the ambition expressed last year.

Van Gansewinkel succeeded in recycling even greater volumes than in previous years, particularly at Coolrec and Maltha, our recycling businesses, where our efforts are improving year after year and where the volumes of plastic and glass recycled also rose significantly. At the same time, we processed larger volumes of waste in categories for which we have good thermal solutions, for example combustible waste. This has a downward effect on the reuse percentages. For 2012, the shift in waste flows caused a slight increase in the second life percentage compared with the adjusted percentage for 2011 and in an increase in the CO<sub>2</sub> emissions prevented.

For 2013, too, the explicit focus of our ambitions is to give a second life to as many materials as possible. However, the relative proportion of combustible waste, with a low second life percentage, is on the rise, whereas the volume of construction and demolition waste for example, which possesses a high second life percentage, is diminishing because of the poor economy. In view of these shifting waste flows, we expect that the second life percentage will drop slightly during the coming year. The forecast for 2013 is that we will be able to convert at least 57.5% of our waste into raw materials or building materials. Combined with our green energy production, this will prevent 1.30 million tons of CO<sub>2</sub> emissions in the chain.

Van Gansewinkel Groep works together with customers and partners to develop new concepts, tools and techniques to give more and more waste a second life in the form of raw materials. This helps us give shape to our goal of 'Waste continues to be a raw material' and to contribute to solving the problem of scarce raw materials. Finding a higher-quality processing method is an essential step in the right direction.

Last year, we worked together with our partners to develop more sustainable solutions for waste issues. Despite our focus on the restructuring, we got started on this, for example with the following projects:

- *Post-collection separation of household waste*  
The introduction of the new packing materials agreement in 2013 means that municipal authorities have two options: separation at the source and post-collection separation. Separation at the source is more difficult to realise in highly urbanised areas, making post-collection separation a better alternative to ensure that as much waste as possible can be given a second life. Van Gansewinkel Groep is researching the technical and economic feasibility.
- *Waste collection using the Basic Bin*  
Van Gansewinkel Public Services and the municipality of Krimpen aan den IJssel have adopted a new method of collecting waste. The Basic Bin (Basisbak) can be used for depositing not only paper and paperboard but also other dry materials, such as plastic, clothes, ceramics and small electrical appliances. Until mid-2013, we will be testing whether this manner of collection works and whether it can be used on a larger scale.

- Recovery of neodymium from hard disk drives*

Electronic waste contains many scarce earth metals, including neodymium in the magnets of hard disk drives. Van Gansewinkel is working with Delft University of Technology and M2i to investigate whether it is technically and economically feasible to recover this material using high-quality methods, allowing it to be reused in hybrid cars, for example, or for generating sustainable energy.
- Recycling of valuable metals from electrical appliances and electronics*

A major challenge in our efforts to recycle electronics is recovering scarce and costly precious metals such as gold, silver, copper, tin and nickel. That is why Van Gansewinkel Groep, working in close partnership with M2i, has developed a new technique on a laboratory scale for separating those metals using wet chemical processes. The great advantages are fewer emissions, lower energy consumption and a higher percentage of material that can be reused. We will continue to work with M2i and Delft University of Technology to further develop this process to the point where industrial application is possible.
- Transformation of polluted filter cake into building materials*

Polluted filter cake, a residue remaining after certain production processes, is often dumped in landfills. Van Gansewinkel Groep has now developed a processing method for a customer to transform this residue into a building material for the civil engineering sector and the concrete and cement industry.
- Rockcycle, a return system for rock wool residue*

Rockwool and Van Gansewinkel have developed Europe's first return system for rock wool residue: 'Rockcycle'. Van Gansewinkel collects the rock wool residue from Rockwool's customers and transports the material to a Rockwool recycling plant, where the rock wool residue is compressed into briquettes, after which it can be reused as a raw material in the production of new rock wool. As a result, new products can contain up to 50% recycled materials.
- Reuse of old roofing materials*

Bitumen is a petroleum product that is used in roofing materials, among other things. At present, bituminous roofing waste is very rarely recycled. Using recycled bitumen will help reduce CO<sub>2</sub> and balance cycles. For Van Gansewinkel Groep, this is sufficient reason to work together with several of its customers to reuse old bituminous roofing material as a raw material in new roofing materials (rather than as fuel).
- Recovery of synthetic fibre*

In close partnership with a major chemical company, Van Gansewinkel Groep has conceived a method for recycling synthetic fibre instead of incinerating it. This type of fibre is very strong and is used for an increasing number of applications, including high-quality fabrics for gloves, clothing (particularly bullet-resistant items) and vehicles. The chemical company hopes to start offering this solution to its customers worldwide.
- Cradle-to-Cradle work wear*

Van Gansewinkel Groep teamed up with industrial clothing manufacturer Van Puijenbroek Textiel and textile service providers Berendsen and Lavans to bring REWORK onto the market: Cradle-to-Cradle-certified industrial clothing designed in such a manner that each element can be reused. Old work clothing is used to spin new thread or make compost. The waste specialists at Van Gansewinkel EcoSmart have also been wearing Cradle-to-Cradle-certified outfits since March 2012. These clothes were developed in partnership with fashion label DutchSpirit, based on 'Returnity', a fully recyclable synthetic fibre. Work clothes that are torn or worn out are taken back and reused in new materials.
- Tree soil*

In partnership with Van Helvoirt Groenprojecten, Van Gansewinkel has developed a sustainable tree soil made from 100% recycled materials. The tree soil, given the name TREE TERRA, has been awarded Cradle-to-Cradle certification. Tree soil serves as a stable basis for paved areas and as a source of nutrition for trees. Traditionally, the tree soil that is used in the Netherlands contains at least 67% excavated sand. For producing TREE TERRA, a CSP (ceramic, stone, porcelain) fraction is used, a waste flow that is released in Maltha's recycling process.

- *Sustainable method of processing temporary construction*

Van Gansewinkel has entered into a long-term partnership agreement with Jarino Groep in Assen to retrieve temporary and semi permanent buildings from the market. The waste flows that are released when breaking down and dismantling the buildings will be processed using sustainable methods. The resulting raw materials will be returned to suppliers of Jarino and other companies.

In 2013, we will give even more explicit shape to our sustainable vision of Waste No More. To that end, we have formed a Business Development department, to accelerate innovation both in the short term and in the long term and to further improve our performance in high-quality recycling techniques.

### **CO2 emission prevented in the chain**

Van Gansewinkel Groep uses energy in its efforts to convert waste materials into raw materials and energy. This automatically means that we emit CO<sub>2</sub>. However, the output of raw materials, such as glass, metals, plastics and wood, leads to considerably lower CO<sub>2</sub> emissions in the manufacture of new products. It costs less energy to recover such secondary raw materials than to incinerate them and extract and process new primary raw materials. In 2012, Van Gansewinkel Groep prevented 1.38 million tons of CO<sub>2</sub> emissions in the chain. This represents 5.0% of the Dutch target according to the European climate policy for reducing CO<sub>2</sub> emissions by 20% by 2020 compared with 1990. As such, while increasing our own efforts to convert waste into raw materials will cause our 'own' CO<sub>2</sub> emissions to increase; it will also lead to a considerable reduction in the overall CO<sub>2</sub> emissions in the chain. Van Gansewinkel Groep believes that improving the second life percentage is a more important goal than reducing CO<sub>2</sub> emissions in the whole chain.

### **Environmental and reputation risks**

As a waste service provider and supplier of raw materials and energy, Van Gansewinkel operates in the environmental sector. Parties operating in this sector are exposed to risks associated with incidents that have an adverse impact on the environment and that give rise to costs for remedying the situation. Incidents might also have a negative effect on Van Gansewinkel's reputation and good name. Van Gansewinkel has set up environmental management systems at all its critical businesses and locations. This means that potential hazards (for example fire) have been identified, the risks and impact calculated and appropriate control measures put in place. Each operational entity has trained staff and has built suitable checks into the process of acceptance and processing. No corners are cut with investments aimed at supporting these control measures. If an incident as yet occurs, the emergency plans will be put into action. Our organisation's readiness is tested regularly. The company adopts a proactive central crisis communication policy in the case of incidents.

### **Implementation**

*Description of concrete actions to implement environmental policies, address environmental risks and respond to environmental incidents.*

### **Awareness raising**

In 2012 we again accepted various invitations to give presentations and we participated in discussions and dialogues of others. The following are some examples:

- Multicopy – Internal Multicopy event for shop owners about Cradle-to-Cradle;
- Unilever – Meeting of the Unilever Sustainability Group about sustainability;
- Ellen McArthur Foundation – Meeting to develop teaching curriculums about Cradle to Cradle, sustainable and the circular economy;
- Nijmegen Europe workgroup/MEP Judith Merkies – Climate cafe about the role of recycling and reuse in a sustainable Europe;
- Menzis – Meeting with directors in the healthcare sector about increasing sustainability;
- Volkswagen – Lecture about Cradle-to-Cradle in the automotive industry;
- Brainport Sustainability & Innovation – Kick-off meeting of a market leaders' consultation about raw materials scarcity and the circular economy;
- Federation of Environmental Companies (Federatie van Bedrijven voor Milieubeheer, 'FEBEM') – Waste management conference in Wallonia about Cradle-to-Cradle and materials management;
- Public Waste Agency of Flanders (Openbare Vlaamse Afvalstoffenmaatschappij, 'OVAM') – Round table conference about sustainable materials management.

The dialogue with others helps us to add depth and scope to our vision and generates valuable input for follow-up processes in separate areas. For example, it allows us to continually contribute to and help drive the discussion concerning the concept of a circular economy and yields valuable input for improving our annual report.

*Theme: supply chain responsibility*

In dialogue with partners

In 2012, Van Gansewinkel Minerals organised three separate breakfast workshops for engineering firms, property developers and architects at the RDM Campus in Rotterdam, revolving around the theme of 'Improving the sustainability of building materials'. The construction industry is a sector where our understanding of mineral materials and recycling techniques can make a particularly significant contribution in bringing materials into the cycle. Based on past experiences, however, we know that we still face a number of challenges in terms of concrete use of alternative and sustainable building materials in the construction sector. For example, tendering procedures do not always offer scope for non-conventional raw materials for construction and the established operators in the construction chain have proved to be somewhat conservative. The participants at the sessions therefore discussed how to make sustainable innovation in the construction chain a viable possibility.

Some of the conclusions are summarised below:

- **Measuring non-conventional building materials**  
To increase the visibility of sustainability in the construction industry, the engineering firms emphasised the importance of providing principals with the proper evidence and advising them, for example by highlighting improved features, demonstrating the gains for the environment and offering secondary materials at competitive prices.
- **Cooperating as colleagues and partners in the construction chain**  
Engineering firms, property developers and architects consider cooperation as colleagues and partners in the construction chain to be the most important vehicle for rapidly improving the sustainability of building materials. Topics put forward in this connection include adding sustainable building materials to the National Environmental Database, setting up a joint display garden and initiating a joint lobby for non-conventional materials.
- **Simplifying the cycle**  
The economic crisis means that the future is not in new development, but rather in the way in which old buildings and materials can be reused. Property developers explained that, ideally, those materials should be reusable in the same places. Their advice to 'Keep it on the spot' advocates a simplification of the cycle and as such an increased possibility of reuse.
- **Gearing designs to shorter construction times and ensuring knowledge transfer**  
At present, buildings are designed to last 50 to 100 years. By gearing the designs to shorter construction times, the principal has to deal with every phase of the building cycle. This requires comprehensive construction: from design until the end of the building's life. It is vital to possess the appropriate understanding of sustainable building materials. Architects explained that they required information about secondary materials, proof of sustainability and concrete demonstration materials (samples).

The sessions on sustainability in the construction chain will be continued in 2013, and will be aimed at municipal and provincial authorities.

*Theme: raw materials scarcity*

In dialogue with the Children's Council

More than two years ago, Van Gansewinkel Groep started a partnership with the Missing Chapter Foundation of Princess Laurentien van Oranje. That non-profit organisation brings today's decision-makers into contact with children's refreshing and candid ideas about strategic dilemmas surrounding sustainability. Under the name of 'Raad van Kinderen' (Children's Council), the foundation links primary schools to businesses. Van Gansewinkel Groep also has its 'own' Children's Council: the 8<sup>th</sup> Montessori School Zeeburg in Amsterdam. We continued our discussions with them about our vision of Waste No More in 2012.

After a 'waste workshop', which was preceded by a guided tour at Van Gansewinkel, the Children's Council presented their ideas to members of our company's management team in the Nemo Science Centre in Amsterdam. At that meeting, the children explained their views on the question of how Van Gansewinkel can ensure that manufacturers use 'cleaner' methods to make their products and in what way consumers can separate more waste to give as much waste as possible a second life in the form of raw materials.

The dialogue session showed that the children also consider waste to be an important theme. They also feel that it is partly their responsibility to change habits at home. Children are often drivers for new ideas and can act as positive change agents in their families.

The following are some of the ideas that were put forward by the Children's Council:

- To include labels on products and containers explaining in which bin they belong, which will make waste separation more accurate, but above all fun, visible and easy;
- Not to hide waste containers, but instead to make them attractive, striking and sexier, to make it simpler and more fun to throw out waste;
- To develop a waste app that shows where to find the nearest container when you are out and about;
- To use a new credo of 'Paper belongs with paper. Plastic belongs with plastic. Glass belongs with glass. Friends want to hang out together.' to encourage other children in the vicinity to collect and separate waste.

The partnership with the Children's Council will continue in 2013, and we will consider how to put the various ideas to use.

### **Initiatives and programmes to reduce waste materials**

The global scarcity of raw materials forms the basis for our strategy. As a raw material and energy supplier Van Gansewinkel can make a significant contribution to fighting raw material scarcity and global warming. Together with customers and other stakeholders, recycling and waste prevention can help keep natural raw materials in the environment. And, in nearly every instance, recycling leads to CO<sub>2</sub> reduction.

In 2012, 79% of the waste was given a second life by being used as a raw material or being usefully applied as green energy. By giving 57.8% of the waste a second life in the form of raw materials or building materials, Van Gansewinkel prevented the emission of 1.38 million tons of CO<sub>2</sub> in the chain. The second life percentage fell just short of the ambition expressed last year. The CO<sub>2</sub> emissions prevented in the whole chain slightly exceeded the ambition expressed last year.

### **Measurement of outcomes**

*Description of how the company monitors and evaluates environmental performance.*

### **Environmental incidents**

Last year, Van Gansewinkel Groep's activities led to environmental incidents on 362 occasions, compared with 296 incidents in 2011. This increase stems from an improved registration of reports, particularly with regard to oil leaks. Further information has been provided in order to reduce the number of oil leaks in the future. The information mostly focused on preventive maintenance, chiefly for hydraulic systems in lorries.

Of the 362 incidents, 155 concerned discharges into the air, mostly at our energy-from-waste plants. Most cases involved non-observance of emission standards for carbon monoxide and flue gas treatment. Our process engineers are currently working on a number of projects aimed specifically at improvements to reduce those emissions. Spills onto the soil occurred on 165 occasions during the year, most of which resulted from leakages of some litres of oil. Discharges into water occurred on 19 occasions. Once this involved a discharge of what subsequently proved to be a non-toxic chemical substance into the surface water. Other types of incidents occurred on 30 occasions, for example excessive levels of dust and odours. In addition, fires occurred 95 times. Our own staff was able to put out 57 of those fires. The fire services were called in on 38 occasions. Noticeable damage to equipment or buildings was caused by fire on two occasions.

All environmental incidents are reported and recorded in a central database, and the measures to be taken are strictly adhered to in the environmental care system.

### **Emissions**

The principal locations of airborne emissions are the energy-from-waste plants in Rozenburg and Duiven. A number of components in the airborne emissions are measured continually (or semi-continually). The measuring equipment has been verified and approved, and two permit requirements for CO emissions and particulate matter were exceeded significantly.

By far the majority of the Group's waste water is produced by the two energy-from-waste plants in Rozenburg and Duiven and the activities of Van Gansewinkel Minerals. The volume is the same as the average water pollution caused by 4,155 Dutch individuals during a year. The waste water from the remaining Van Gansewinkel Groep activities is insignificant and comprises less than 5% of the volumes listed.

### **Biodiversity**

The location of our sites and the work connected to them mean that our activities have a very minor, if not negligible, impact on the biodiversity. Earlier inventories showed that a few Van Gansewinkel Groep sites are located near nature conservation areas. Groundwater is extracted at only three sites, where the effects on the surrounding areas are negligible. None of the environmental permits for any of the sites stipulate restrictions aimed at protecting natural values that have a measurable influence on our operations.

### **Information and management systems**

Van Gansewinkel Groep has set up environmental management systems at all its critical businesses and locations. This means that potential hazards (for example fire) have been identified, the risks and impact calculated and appropriate control measures put in place. Each operational entity has trained staff and has built suitable checks into the process of acceptance and processing. No corners are cut with investments aimed at supporting these control measures. If an incident as yet occurs, the emergency plans will be put into action. Our organisation's readiness is tested regularly by means of training sessions. The company adopts a proactive central (crisis) communication policy in the case of incidents.

### **Independent verification of management systems**

Van Gansewinkel Groep's management systems are audited and certified by Bureau Veritas Certification. The regular audit team is involved in periodic meetings and training sessions in order to continually improve the depth of the external audits. In 2012, special emphasis was placed on verifying the extent to which our activities are compliant.

The external audits conducted in 2012 (196.5 audit days for the whole group) resulted in 129 Non-Compliance Reports (NCRs), of which 19 'majors' and 110 'minors'. These figures are virtually unchanged compared with 2011 (130 NCRs), despite the increase in the number of certificates, particularly OHSAS 18001.

### **Compliance**

Last year, we paid a total of ten material penalties/sanctions of more than €500 for non-compliance with laws and regulations. Two instances concerned non-compliance with the Dutch Working Conditions Act (Arbowet), two instances involved violations of ADR regulations (transport of hazardous goods), one instance concerned an overload of a vehicle and one instance concerned a vehicle with an excessive height. The competent authorities also imposed four orders for incremental penalties for:

- non-observance of the maximum transfer capacity under the relevant permit. A penalty of €1,500 was imposed;
- two instances of storing a container in locations for which no permit had been issued. A total penalty of €4,000 was imposed;
- non-compliance with regulations under the Dutch Major Accidents (Risks) Decree (Besluit Risico's Zware Ongevallen). A penalty of €25,000 was imposed.

The total penalty was €48,250. We will continue to monitor claims that are still being processed and will report on them in a later sustainability report once they have been finalised.

## Anti-Corruption

### Assessment, policy and goals

*Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment).  
Description of policies, public commitments and company goals on anti-corruption.*

### Code of conduct

Our business stands or falls with trust, and that trust has to be earned every day. Our people play an important part here. In 2012, we updated the code of conduct that addresses important elements of desirable fair and honest conduct. The code of conduct describes not only what conduct is expected from Van Gansewinkel Groep's employees, but also what the employees may expect from Van Gansewinkel Groep. The code expands on the policy principles and serves as an umbrella for other, more specific codes and policy documents within the Group.

### Operational risks

Operational risk management refers to the process of identifying and quantifying risks stemming from the operation of business functions at our organisation. Operational risk management also includes deciding what control measures are necessary. Control measures are activities that reduce the possibility that a risk will occur or limit the possible consequences. The principal operational risks are:

- *Fraud*

Fraud is a phenomenon that takes many forms, that has no precise definition and that overlaps with activities such as deceit, forgery, abuse, data manipulation and impersonation. Van Gansewinkel Groep uses a broad definition of fraud: intentional deception for the purpose of unlawful or illegal gain.

To prevent fraud, instances of fraud must naturally first come to light and come to the attention of those who can take steps. Van Gansewinkel Groep seeks to increase the willingness to report such instances. Everybody is urged to report violations of the code of conduct. Van Gansewinkel Groep's Code of Conduct sets out important elements of desirable fair and honest conduct. The code of conduct can help employees to weigh different options and to make their choices. Reports can be made via the employee's immediate manager or higher management, the local Integrity Contact and/or Van Gansewinkel Groep's Integrity Manager. Employees reporting a violation or a suspicion of a violation need not worry about any repercussions and are protected in accordance with the Integrity Regulations.

A framework has been developed for the internal controls for financial processes. Various processes aimed at limiting fraud risks are used to verify whether:

- functional separation is in place where necessary
- authorisation and delegation schedules are followed
- payments are recorded and made regularly
- stocktakings are conducted regularly
- elementary elements of IT security are used and critical data are protected

- *Integrity*

In 2012 the 2011 draft code of conduct was updated. Since 2010 we also have been working actively to give shape and substance to the theme of integrity. Besides a corporate Integrity Manager we have local integrity contacts in place. Furthermore, we have a specific communication path for integrity-related investigations and a complaints procedure for the manner in which integrity investigations are conducted.

Our Integrity Investigations Registration System became operational in 2012. This management system is part of our reporting system Trackwise. Moreover, we worked on further developing training sessions and workshops dealing with integrity and organised a number of such sessions and workshops. Furthermore, Van Gansewinkel's Integrity Manager participated in the annual Integrity Experts Meeting: a joint initiative in which various national parties are presented. The purpose is to exchange not only know-how and expertise, but also instruments with concrete applications in order to achieve a higher level of integrity within each of the separate organisations.



In 2012, we received 21 integrity reports. Some of this year's reports again came from within the organisation, while others were made by individuals and institutions outside the organisation. The reports concerned two instances of aggression and violence (internal), nine instances of crime (primarily theft), two instances of fraud, five instances of improper use of company assets, of which five reports were in relation to illegal waste collection (either paid or unpaid), one instance of improper use of confidential information and a report of two armed robberies at a Van Gansewinkel site.

Of the 21 reports, 19 were taken under investigation and two were reclassified as integrity advice and as such were designated as not requiring investigation. Three investigations are still ongoing in 2013, and two investigations were started in January 2013. We are working with the police in our investigations of the armed robberies and one instance of internal fraud. These criminal investigations had not been completed by the end of 2012. Several instances resulted in reports being filed with the police, and in some cases criminal investigations were conducted. Involvement in integrity infringements led to 12 employees being dismissed. A worker on secondment with Van Gansewinkel was relieved of his duties and summarily dismissed by his employer in connection with fraud committed at Van Gansewinkel.

Advisory reports were issued on 38 occasions during 2012. The subjects of those advisory reports vary, ranging from stalking, security, narcotics, assistance with criminal investigations, tackling vehicle-related crime and false identity, ICT fraud, theft and phantom invoices.

Van Gansewinkel did not receive any complaints about violations of human rights in 2012.

### **Implementation**

*Description of concrete actions to implement anti-corruption policies, address anti-corruption risks and respond to incidents.*

In 2012 the 2011 draft code of conduct was updated. Since 2010 we also have been working actively to give shape and substance to the theme of integrity. Besides a corporate Integrity Manager we have local integrity contacts in place. Furthermore, we have a specific communication path for integrity-related investigations and a complaints procedure for the manner in which integrity investigations are conducted.

Our Integrity Investigations Registration System became operational in 2012. This management system is part of our reporting system Trackwise. Moreover, we worked on further developing training sessions and workshops dealing with integrity and organised a number of such sessions and workshops. Furthermore, Van Gansewinkel's Integrity Manager participated in the annual Integrity Experts Meeting: a joint initiative in which various national parties are presented. The purpose is to exchange not only know-how and expertise, but also instruments with concrete applications in order to achieve a higher level of integrity within each of the separate organisations.

### **Measurement of outcomes**

*Description of how the company monitors and evaluates anti-corruption performance.*

In 2012 the 2011 draft code of conduct was updated. Since 2010 we also have been working actively to give shape and substance to the theme of integrity. Besides a corporate Integrity Manager we have local integrity contacts in place. Furthermore, we have a specific communication path for integrity-related investigations and a complaints procedure for the manner in which integrity investigations are conducted.

Our Integrity Investigations Registration System became operational in 2012. This management system is part of our reporting system Trackwise. Moreover, we worked on further developing training sessions and workshops dealing with integrity and organised a number of such sessions and workshops. Furthermore, Van Gansewinkel's Integrity Manager participated in the annual Integrity Experts Meeting: a joint initiative in which various national parties are presented. The purpose is to exchange not only know-how and expertise, but also instruments with concrete applications in order to achieve a higher level of integrity within each of the separate organisations.

In 2012, we received 21 integrity reports. Some of this year's reports again came from within the organisation, while others were made by individuals and institutions outside the organisation. The reports concerned two instances of aggression and violence (internal), nine instances of crime (primarily theft), two instances of fraud, five instances of improper use of company assets, of which five reports were in relation to illegal waste collection (either paid or unpaid), one instance of improper use of confidential information and a report of two armed robberies at a Van Gansewinkel site.

Of the 21 reports, 19 were taken under investigation and two were reclassified as integrity advice and as such were designated as not requiring investigation. Three investigations are still ongoing in 2013, and two investigations were started in January 2013. We are working with the police in our investigations of the armed robberies and one instance of internal fraud. These criminal investigations had not been completed by the end of 2012. Several instances resulted in reports being filed with the police, and in some cases criminal investigations were conducted. Involvement in integrity infringements led to 12 employees being dismissed. A worker on secondment with Van Gansewinkel was relieved of his duties and summarily dismissed by his employer in connection with fraud committed at Van Gansewinkel.

Advisory reports were issued on 38 occasions during 2012. The subjects of those advisory reports vary, ranging from stalking, security, narcotics, assistance with criminal investigations, tackling vehicle-related crime and false identity, ICT fraud, theft and phantom invoices.

Van Gansewinkel did not receive any complaints about violations of human rights in 2012.