

# Communication on Progress

**Participant**

Van Gansewinkel

**Published**

2014/09/25

**Time period**

2013/09/25 - 2014/09/25

**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.*

25 September 2014

To our stakeholders:

I am pleased to confirm that Van Gansewinkel 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. In order to achieve a proper and meaningful comparison of the results of 2013 with the two previous years, we excluded the figures of the divested company AVR in 2013 from all the relevant figures. This means that the figures in this report may vary from those in previous COP-reports.

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. At the beginning of 2014 the draft Code of Conduct was approved by the Board of Directors 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.

### 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.*

### Code of conduct

The Code of conduct has been cast in a booklet and is communicated and spread throughout the company in 2014.

### Integrity

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. In 2013, ten workshops were organised with a total of 150 participating managers throughout the company. Besides this, Van Gansewinkel's Integrity Manager assisted two management teams in specific integrity cases by organising a workshop 'moral judgement'. 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 Van Gansewinkel will continue its efforts which were initialized in 2010, by supporting staff and management to learn how to view integrity as 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 specific advices.

### **Sustainable supply chain management**

Van Gansewinkel has a formal monitoring process in place for the supply chain. We explicitly include 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 2013, 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.

### **Awareness raising**

At the centre of the community. Van Gansewinkel occupies a central position in society and works with various foundations and non-government organisations.

The Reading & Writing Foundation.

Van Gansewinkel is one of the founding partners of the Reading & Writing Foundation and therefore endorses the usefulness and necessity of being able to read and write well, because these skills enable people to take an active part in society. Through this foundation, various employees of Van Gansewinkel with poor literacy skills completed a training course, with particular encouragement from the HR department and management. In 2013, Van Gansewinkel made a contribution to an exhibition touring the Netherlands in 2014 with language stories from the Reading & Writing Foundation.

Missing Chapter Foundation

Van Gansewinkel is also a partner of the Missing Chapter Foundation (MCF). MCF is a non-government organisation that aims to put current decision-makers in contact with the refreshing ideas of future decision-makers in the area of strategic dilemmas. This is done by initiating dialogue between decision-makers, children, young people and young professionals. The uninhibited questions and the refreshing opinions and surprising ideas of the young target group are inspiring for the current decision makers. Dialogue between the generations is the missing chapter in sustainable decision-making. This helps to achieve more effective solutions for complicated sustainable dilemmas now and especially in future.

Other initiatives

As a socially responsible company, Van Gansewinkel sponsored various social initiatives and organisations in 2013, including the marathon in Eindhoven, Hockey Club Rotterdam, the Lion Heart Foundation and the Alzheimer's Foundation.

## Measurement of outcomes

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

### Integrity

In 2013, we received 16 integrity reports, compared to 21 reports in 2012. Most of them originated from within the organisation, while some were filed by individuals and institutions outside the organisation. The reports concerned the following topics:

- aggression and violence (internal)
- crime (primarily theft)
- fraud
- improper use of company assets, in relation to illegal waste collection (either paid or unpaid),
- armed robbery at a Van Gansewinkel site (conducted by a third person)

Of the 16 reports, 12 were taken under investigation and four were reclassified as integrity advice and as such were designated as not requiring investigation. One investigation was finalized at the beginning of 2014, and one investigation, regarding a big internal fraud case, is still running. In this specific case we cooperate with the police. Several instances resulted in reports being filed with the police, and in some cases criminal investigations were conducted. Involvement in integrity infringements led to six employees being dismissed. To improve future risk management processes, every finalized investigation is with an advice document which is provided to the Board of Directors and the involved operational management.

Advisory reports were issued on 79 occasions during 2013, compared to 38 in 2012. The subjects of those advisory reports vary, ranging from camera surveillance, security, narcotics, assistance with criminal investigations, tackling vehicle-related crime and false identity and phantom invoices.

In the case of aggression and violence 15 reports were filed by Van Gansewinkel employees. This is an increase of reports which is likely due to increased management attention and a payoff of workshops and training sessions.

Van Gansewinkel did not receive any complaints about violations of human rights in 2013.

### 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 in 2012. 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. In 2013 The Group conducted audits at two critical suppliers. One audit scored 'Satisfactory'. The other one 'No Go'. However with a quick response of the supplier an action plan was created and the non-compliances were solved at a satisfactory level.

## 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.*

### Code of Conduct

At the beginning of 2014 the draft Code of Conduct was approved by the Board of Directors 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.

### Health and safety

In 2008, Van Gansewinkel formulated a SHEQ commitment, containing its vision on Safety, Health, Environment and Quality. This commitment was reaffirmed in September 2013 by the Executive Board and the SHEQ Director. In line with this commitment, Van Gansewinkel focuses on creating a safe work environment and strictly adhering to its compliance obligations.

### 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 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, 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). Also in Belgium, besides the general employee participation council, specific SHWE committees exist in every division. In all, 66 and 41 workers, respectively, were active in the various Dutch and Belgian works councils in 2013.

### Employee Motivation Survey

Every two years Van Gansewinkel 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'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 2014. 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.

### Collective employment agreement

Over 90% of Van Gansewinkel'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**

In line with its SHEQ commitment, Van Gansewinkel focuses on creating a safe work environment and strictly adhering to its compliance obligations. Accidents and dangerous situations are recorded in TrackWise, a system for the analysis and monitoring of reports. The causes, actions and lessons are disseminated internally in order to continuously draw attention to safety and increase awareness.

In order to practically manage the safety policy, Van Gansewinkel uses the accident pyramid. This pyramid shows that unsafe situations and actions may lead to first aid incidents, incidents with serious injuries or worse. The broad base of this pyramid shows that often several near misses have preceded each incident. By recording these near misses, Van Gansewinkel has a good overview of potentially dangerous work situations or dangerous actions. This is important input for the prevention program, which looks at both physical and organizational prevention.

### **Awareness raising – integrity**

Prevention and awareness have the highest priority within the domain of integrity. Increasing awareness and therefore reducing the number of integrity incidents ensures that there is a higher degree of integrity within and outside the organisation. In this context, further investments were made in 2013 in development of integrity tools for both generic policy and custom work. In order to increase the awareness among employees and management, ten training courses and/or workshops were held in 2013, in which an estimated total of 150 managers and employees participated. The participants were given tools that could help them manage integrity and responsible conduct and to manage integrity risks. In addition, the tools are 'taken' into the world of aggression and violence, both in terms of management and as concerns learning to deal with this phenomenon. Subjects that were discussed included safety, offences, video surveillance, aggression, violence, whistle blowers, standards, values and the policy on accepting gifts from customers. In 2013, we actively organised the sharing of knowledge on integrity, the exchange of specific tools in this area and cooperation with other parties within the integrity domain. The Integrity Manager has also contributed to an in-depth course for integrity officials at the Nyenrode Business University and is a member of the Ethics Committee of NEVI, the Knowledge network for Purchasing and Supply Management. Besides that Van Gansewinkel was the initiator of the organisation of the annual Integrity Expert Meeting.

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.

### **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 organization. The causes, actions and lessons learned are communicated throughout the organization, to draw continual attention to safety and to increase awareness.

Van Gansewinkel has set up an environment, safety and quality management system in all entities. This means that potential hazards, such as accidents at work, machine safety, logistical and environmental risks have been identified and the possible consequences have been determined. This risk profile then forms the basis for our prevention policy. All operational entities have a trained staff and have adequate checks in the acceptance and management process. Incident management is also

considered in this and is tested regularly for effectiveness. In the event of incidents, the company has a proactive central (crisis) communication policy in place. This entire process is guaranteed by our management systems.

### **Compliance**

Compliance and risk management guarantees and verifies compliance with laws and regulations and other requirements prescribed by the company. Van Gansewinkel has included all (environmental) licences in its own system, TrackWise. Van Gansewinkel's compliance with the applicable laws and regulations is verified through inspections and audits. The changes in the laws and regulations are communicated ten times a year via e-mail updates to relevant stakeholders, including environment and safety coordinators and waste managers. In addition, the certifying body also verifies compliance with laws and regulations in the context of ISO 14001 and OHSAS 18001. Violations are recorded with the purpose of minimising these in future. In the course of 2014, all individual terms and conditions of the relevant environmental licences will have been entered in TrackWise. This allows an even more effective implementation of compliance with laws and regulations. Actions, sanctions and changes can be linked to every compliance subject (licensing requirement). TrackWise will also register and incorporate general obligations from Occupational Health and Safety or welfare legislation. With corresponding inspections, compliance with the laws and regulations can be verified at every location. Mid 2014, this concerns more than 150 (environmental) licences and over 10,000 compliance subjects that are verified individually.

### **Measurement of outcomes**

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

#### **Male/female diversity**

In order to achieve a proper and meaningful comparison of the results of 2013 with the two previous years, we excluded the figures of the divested company AVR in 2013 from all the relevant figures. This means that the figures in this report may vary from those in previous COP-reports. Van Gansewinkel had operations in nine European countries in 2013. The following parameters apply:

- The workforce decreased by 9.0% to 5,318 employees (excluding temporary workers) (2012: 5,842).
- 88% of the employees work full-time and 90% have a permanent contract.
- The age groups 35 – 45 and 45 – 55 are overrepresented in the workforce (together 62.4% of the workforce).

The company had 4,400 male employees and 918 female employees with fixed-term or permanent employment contracts. The corresponding figures for 2012 were 4,783 men and 1,059 women. This means that the shift in the proportions during 2013 was marginal, going from 18,1% women in 2012 to 17,3% women in 2013

#### **Male/female diversity in management**

The management (members of the Executive Board, staff directors and regional management teams) mainly consists of men. In total, this group consists of 103 persons, including 89 men and 14 women. In 2012 the management 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 2013 this figure was 14,1%, compared with 12,1% in the previous year. Because the numerical effects of the staff cutbacks began in 2013, as expected staff turnover for 2013 turned out to be higher than in 2012.

#### **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 and 2013 the injury frequency and severity rate rose slightly. Nevertheless, the figures remained low compared with the sector-average results.

Safety is paramount at Van Gansewinkel. Despite our proactive safety policy, we experienced two devastating events in 2013: On 6 May, a Van Gansewinkel truck was involved in a fatal traffic accident

in Eindhoven, which led to the tragic death of a 76-year-old woman. The woman was caught in the truck's blind spot, which resulted in a traumatic experience for the victim's family, the truck driver and his co-driver. On 31 May a tragic and fatal accident occurred at Maltha's glass recycling plant in Emmen. We deeply regret these events. The industrial accident was investigated by the Labour Inspectorate. In commemoration of the deceased employee, all Maltha sites in Europe stopped to reflect on their safety exactly one year after the accident. An official memorial was unveiled at the site of the fatal accident. The incidents that have led to lost-time, 102 in total, mainly concerned bruises, sprains or lacerations. 23 serious accidents occurred in 2013: 22 fractures and one burn.

In order to practically manage the safety policy, Van Gansewinkel uses the accident pyramid. This pyramid shows that unsafe situations and actions may lead to first aid incidents, incidents with serious injuries or worse. The broad base of this pyramid shows that often several near misses have preceded each incident. By recording these near misses, Van Gansewinkel has a good overview of potentially dangerous work situations or dangerous actions. This is important input for the prevention program, which looks at both physical and organizational prevention.

For a number of identified incident categories, a target level has been defined. The results for 2013 were:

- The number of recordable cases compared to the number of lost-time incidents: 3.0 (3.2 in 2012) – the target level was 3.
- The number of first aid incidents compared to the number of lost-time incidents: 4.8 (5.7 in 2012) – the target level was 10.
- The number of near misses compared to the number of lost-time incidents: 48.1 (49.1 in 2012) – the target level was 50.

The results show that the reported number of recordable cases achieves the objective. Too few near misses and first aid incidents are being reported on. That is why Van Gansewinkel will start up local initiatives to better record first aid incidents. In 2012, the reporting of near misses was further improved, approximately to the target level. In 2013, this number fell slightly. In 2014, we are once again paying attention to this.

### **Absence**

In 2013, the absence rate for the entire workforce of the group was at 4.0%, well below the target of 4.3% and lower than in 2012 (5.1%). The frequency of employees calling in sick has also decreased in 2013, to 1.7 compared to 1.9 in 2012. This shows that the prevention policy for the management of sickness and absenteeism is effective.

### **Suppliers**

Van Gansewinkel audits its critical suppliers at least once every three years. Two audits were conducted last year. A score of 'Satisfactory' was awarded for one of those audits, with the other one scoring 'No Go'. However with a quick response of the supplier an action plan was created and the non-compliances were solved at a satisfactory level.

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

The management systems of Van Gansewinkel are audited and certified by Bureau Veritas. Thanks to regular discussion with and training of the permanent internal and external audit team, there is a continuous improvement in the depth of the audits. In 2013, the emphasis was on the verification of the degree of compliance of the activities of Van Gansewinkel, as well as on the acceptance protocol. The external audits carried out in 2013 (over 200 audit days for the full group) resulted in 99 deviations from the standards, including 27 'majors' and 72 'minors'. This is significantly less than in 2012 (118 deviations), while the number of certificates has grown. The top three of the deviations observed concerned the (non-compliance with the) following elements:

- manufacturing production (25 deviations);
- measurements and monitoring (24 deviations);
- risk management (15 deviations).

All of these deviations were solved by the relevant company components within three months. The solutions were then submitted to Bureau Veritas and accepted. This successfully concluded the re-certification in 2013.



**Compliance**

In total, in 2013, three material fines/sanctions over 500 Euros were paid due to violations of the laws and regulations in relation to labour health and safety. This concerned two violations of the Occupational Health and Safety Act and one violation of the ADR regulations (transportation of dangerous goods). The total amount of the fines was 33,087 Euros. Claims that are still pending are given continued attention and once these have settled, these will be reported in a future sustainability report.

**Integrity**

In the past year there were sixteen integrity reports. This is a reduction of five reports compared to 2012 (21 reports). The integrity reports mainly came from the organisation and related to issues including:

- reports of crime (mainly theft);
- reports on abuse of company property;
- fraud cases;
- aggression and violence (internal);
- violent robbery (committed by someone who was not a Van Gansewinkel employee).

Of the 16 reports, 12 were accepted for investigation and four were converted into integrity advices. These four reports are therefore not worth investigating. Following the reports, four crimes were reported, which led to further police investigation. One investigation was completed at the start of 2014. This concerned abuse of company property in relation to waste collection and remuneration received. One extensive fraud investigation is still ongoing in cooperation with detectives. Six employees have been dismissed due to involvement in integrity violations. Every investigation is concluded with a decision and advice document in which the Executive Board and the operational management involved, in addition to a possible employment law advice, also receive advice about process and procedural improvement and policy risk management. In 2013, an integrity advice was published in 79 cases. This is more than double compared to 2012. Most advices are provided at the request of employees and/or operational management. There was one case of unsolicited advice. The advisory reports issued concerned CCTV, security, narcotics, support in criminal investigations, dealing with (vehicle) crime and phantom.

Van Gansewinkel did not receive any complaints about violations of human rights in 2013.

## 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.*

#### Initiatives and programmes to reduce waste materials

Van Gansewinkel makes an active effort to reduce its customers' and partners' use of primary raw materials and to optimise its customers' waste management. In this way, Van Gansewinkel ensures that its customers produce as little residual waste as possible. Van Gansewinkel also supplies raw materials to purchasers with the aim of replacing primary raw materials and reducing their use. In doing so, in accordance with its mission and vision, Van Gansewinkel makes an important and useful contribution to the solution of the global scarcity of raw materials and the worldwide focus on sustainability. Strategically speaking, this offers the company numerous opportunities for the future. That is why the sustainability objectives are constantly refined.

#### CO2 impact Van Gansewinkel core activities

In addition, Van Gansewinkel strives to further reduce the impact of its own activities on the environment to a minimum, for example by carefully analysing and further reducing the CO2 emissions of its fleet where possible. Examples of reduction efforts include the optimisation of the routes of the company cars and the choice of energy-efficient models when buying new vehicles.

#### Sustainable product development

In 2013, we gave 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.

#### 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.*

#### Initiatives and programmes to reduce waste materials

By preventing a product from becoming waste, Van Gansewinkel tackles both the scarcity of raw materials and the CO2 problem. Recycling residual products into new raw materials also leads to an explicit CO2 reduction in relation to the processing of products as residual waste and the use of primary resources. Van Gansewinkel therefore does not view waste as a residual product, but as a valuable start to a new cycle. In this way, waste can be given a second life and can be used for new raw materials and for energy. Today's waste becomes the raw material for tomorrow's products. This involves:

- always giving waste a valuable, sustainable purpose;
- Van Gansewinkel preventing the depletion of the earth;
- Van Gansewinkel being a link in the circular economy.

The circular economy is an economic system that is intended to maximise the reusability of products and raw materials and to minimise value destruction. The circular economy is different to the current

linear economy, in which raw materials are converted into products that are largely destroyed after use or recycled at a lower level. The circular system has two material cycles:

- A biological cycle, in which residual materials safely return to nature after use.
- A technical cycle, for which product(s) (components) are designed and marketed in such a way that these can be reused at a high-quality level. This helps to retain as much of the economic value as possible.

### **CO2 impact Van Gansewinkel core activities**

Waste collection is directly at the source of Van Gansewinkel's activities, with separated collection where possible and the choice of a suitable collection method. Van Gansewinkel offers various services and types of waste containers for this. The company has a wide range of wheelie bins, skips and (semi-)underground containers. Taking into account the amount of waste and space available, Van Gansewinkel will advise you about the best (combination of) containers. Every day, our trucks collect waste from customers and transport it to various processing and management locations. Of course these vehicles comply with the environmental standards. That does not change the fact that freight is polluting. That is why we are constantly thinking about how we can find alternatives to make transport more sustainable and how we can optimise routes in order to avoid unnecessary mileage. In specific locations, such as inner cities or Schiphol Airport, we are increasingly using electrical vehicles. In 2013, Van Gansewinkel achieved a world first with the introduction of the E-truck. More about this later. Further investments in this area are in the offing.

In the implementation of its core activities, Van Gansewinkel uses an extensive fleet, consisting of 1,773 company cars and 631 lease cars. We try to reduce the emissions of our fleet to a minimum, but if we want to do our jobs right and collect waste separately and transform it to raw materials, we inevitably also emit CO2. Of course, relatively speaking, the CO2 emissions of the fleet are only a fraction of what we convert to raw materials. Van Gansewinkel wants to continue to optimise its collection activities through automated journey planning and the use of on-board computers. In addition, the transportation of waste streams from the storage and transshipment stations to various (end) processors has been professionalised. This means that the available capacity is used as efficiently as possible, there is less empty mileage in the chain and there is an increase in the volume transported per trip. On the one hand, the aim is to reduce the empty mileage, and on the other hand we want to reduce costs.

### **CO2 performance ladder**

Van Gansewinkel is affiliated with the CO2 performance ladder and certified at level 3. Our CO2 footprint can be found at [www.vangansewinkelgroep.com](http://www.vangansewinkelgroep.com).

### **Awareness raising**

In 2013 we again accepted various invitations to give presentations and we participated in discussions and dialogues of others. The following are some examples:

- Circle Economy is an open non-profit platform that focuses on speeding up the transition to the circular economy. From the current linear take-make-waste economy, the Circle Economy focuses on a system that is in balance with and inspired by nature. Besides economic growth, social and ecological values are also involved in every decision. Van Gansewinkel participates in workshops held by this organisation and also provides knowledge, and vice versa. Van Gansewinkel is linked as a partner to a textiles project.
- Waste Pays is a widely embraced initiative. The mission of Waste Pays, the Dutch Recycle Bank, is 'we can save the environment together!' Households can sign up in selected municipalities and get paid for various types of waste, such as paper and cardboard, small electrical appliances, textiles and plastic packaging materials. Van Gansewinkel is a partner of this initiative.
- Attending meetings of the Dutch Waste Management Association (Vereniging Afvalbedrijven)
- 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.

## **Sustainable product development**

Van Gansewinkel Minerals, together with its partner Cementbouw, has examined whether Geopolymers can be used as construction materials. This not only gives a second life to the mineral residuals used in this process, but also reduces harmful emissions in the chain. The cement industry is responsible for 5% of the global man-made CO<sub>2</sub> emissions. By using Geopolymer technology instead of the thermal process that is usually applied, the CO<sub>2</sub> emissions are reduced substantially. The technology developed is brought onto the market in phases by Van Gansewinkel and Cementbouw. The first step has been taken with sustainably coloured footpaths and street furniture.

In 2013, we gave 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.

## **Measurement of outcomes**

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

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

In 2013, 81.5% of the waste that left Van Gansewinkel was given a second life through use as a raw material (62.4%) or useful application as green energy (19.1%). Giving 62.4% of the waste a second life as a raw material prevents the emission of 1.23 million tons of CO<sub>2</sub> in the chain. At Van Gansewinkel's request, TNO determined the key figures per waste stream. In 2012, we gave 62.7% of the waste a second life as a raw material. At that time, this prevented the emission of 1.11 million tons of CO<sub>2</sub> in the chain.

The percentage of combustible industrial waste was relatively high in that year. In the previous sustainability report, we expressed the expectation that the percentage of minerals, including construction and demolition waste, would decrease due to the economic circumstances in the overall composition of the waste processed by Van Gansewinkel. This proved to be true. Minerals have a relatively high chance of a second life, because construction and demolition waste can be reused in construction. On the other hand, the percentage of hazardous waste processed actually increased in 2013, by 2%. This type of waste has a relatively low chance of a second life. Both developments ensure that the overall percentage of waste given a second life as raw material works out 0.3 percentage point lower in 2013 compared to 2012. This corresponds exactly with the objective that was set in 2013: 62.4%.\*

\* Target percentage second life as raw material 2013 including AVR results: 57.5%.

### **CO<sub>2</sub> impact Van Gansewinkel core activities**

In 2013, the number of kilometres driven for waste transport decreased to over 58 million kilometres (2012: 62.8 million kilometres). At the same time, the total amount of CO<sub>2</sub> emissions decreased from 80,300 tons in 2012 to 74,400 tons. The CO<sub>2</sub> emissions per kilometre have therefore been reduced to 1.27 kg/km (2012: 1.28 kg/km), a positive development.

In addition to the collection vehicles, passenger cars are also a source of emissions. In 2013, Van Gansewinkel used 631 lease cars (2012: 700, a reduction of 9.9%). These vehicles drove a total of 26.7 million kilometres, 2,406 kilometres less (8.3%) than in 2012. Because of this and the lease of more sustainable cars – the proportion of A/B labels with Van Gansewinkel in the Netherlands increased to 83.9% in 2013 (2012: 78%) – CO<sub>2</sub> emissions decreased from 3.73 kilotons to 3.14 kilotons. Both in the Netherlands and in Belgium, an incentive was introduced that encourages the reduction of absolute CO<sub>2</sub> emissions and fuel consumption. As part of this context, the first plug-in-hybrid vehicles have been added to the fleet. The objective of the policy of Van Gansewinkel is twofold: a further reduction of CO<sub>2</sub> emissions and a reduction in costs. For this purpose, the company has consciously chosen smaller vehicles and actively focused on fuel consumption based on refuelling records.

### **Environmental incidents**

All environmental incidents are recorded in a central database. The measures to be taken based on the reports are strictly adhered to in the environmental management system. In 2013, the activities of Van Gansewinkel led to an environmental incident on 238 occasions (2012: 202, an increase of 17.8%). It is good to note that Van Gansewinkel assesses every incident based on its SHEQ policy, no matter how small. In 2013, no incidents took place that had a major impact on the environment. Of the

238 incidents, 167 related to a discharge into the soil, compared to 159 soil incidents in 2012 (not including AVR), mainly as a result of leaking several litres of oil. In order to reduce the number of oil leaks in future, the focus is on preventive maintenance, particularly of hydraulic systems on lorries. In 2013 there were 19 instances of a discharge in water, 22 instances of emission into the air, and 39 instances of a different type of incident, such as a dust, noise or odour nuisance.

In addition, there were 77 fires. Our own staff were able to extinguish 47 of these fires, while 26 required the help of the fire department. In four cases, the relevant object was allowed to burn out in a controlled manner. In most cases, the fire did not lead to notable damage to equipment or buildings. In one case there was substantial damage to a shredder system.

### **Power consumption**

There are various energy-saving initiatives within the organisation such as power generation using solar panels (location Lommel, Maltha) and the production of biogas from landfills (location Braine-le Chateau, Minerals). This has led to a reduction in power consumption at its own sites, from 45,336,146 kWh in 2012 to 43,187,295 kWh in 2013 (a 4.7% decrease). This reduction occurs in all countries in which Van Gansewinkel operates.

### **Biodiversity**

Due to the location and the activities linked to the locations, the impact of the activities of Van Gansewinkel on biodiversity is very limited to negligible. An earlier survey revealed that only one of the Van Gansewinkel locations is close to a nature reserve. Only ten locations are subject to restricted groundwater extraction with negligible effects on the environment. 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 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**

The management systems of Van Gansewinkel are audited and certified by Bureau Veritas. Thanks to regular discussion with and training of the permanent internal and external audit team, there is a continuous improvement in the depth of the audits. In 2013, the emphasis was on the verification of the degree of compliance of the activities of Van Gansewinkel, as well as on the acceptance protocol.

The external audits carried out in 2013 (over 200 audit days for the full group) resulted in 99 deviations from the standards, including 27 'majors' and 72 'minors'. This is significantly less than in 2012 (118 deviations), while the number of certificates has grown. The top three of the deviations observed concerned the (non-compliance with the) following elements:

- manufacturing production (25 deviations);
- measurements and monitoring (24 deviations);
- risk management (15 deviations).

All of these deviations were solved by the relevant company components within three months. The solutions were then submitted to Bureau Veritas and accepted. This successfully concluded the re-certification in 2013.

### **Compliance**

In 2013 no fines/sanctions over 500 Euros were paid due to violations of environmental laws and regulations.

## 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. At the beginning of 2014 the draft Code of Conduct was approved by the Board of Directors in collaboration and accordance with the Central Works Council. The code of conduct describes not only what conduct is expected from Van Gansewinkel's employees, but also what the employees may expect from Van Gansewinkel. 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 risk in relation to anti-corruption is:

#### *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 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 be reported those who can take the required steps. Van Gansewinkel encourages its employees to report any of such instances to the employee's immediate manager or higher management, the local integrity contact and/or Van Gansewinkel's integrity manager. Employees reporting a violation or a suspicion of a violation 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:

- o functional separation is in place where necessary;
- o authorization and delegation schedules are followed;
- o payments are recorded and checked regularly;
- o stock takings are conducted regularly;
- o elementary aspects of IT security are used and critical data are protected.

### Implementation

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

The Code of conduct has been cast in a booklet and is communicated and spread throughout the company in 2014.

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.

### **Measurement of outcomes**

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

In 2013, we received 16 integrity reports, compared to 21 reports in 2012. Most of them originated from within the organisation, while some were filed by individuals and institutions outside the organisation.

Of the 16 reports, 12 were taken under investigation and four were reclassified as integrity advice and as such were designated as not requiring investigation. One investigation, which is still running, concerns a big internal fraud case. In this specific case we cooperate with the police.