

Communication on Progress

Participant

Van Gansewinkel

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2015/08/01 - 2016/31/07

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.

28 Juli 2016

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.

Furthermore, I am proud to announce our Sustainability Goals for 2020. These goals and the accompanying ambitions for the years 2015 up until 2020 are communicated in our 2015 annual sustainability report. The coming years we will continue to progress towards these goals.

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,

Marc Zwaaneveld
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. The issue of corporate ethics affects us all, and if we are all aware of this shared responsibility we can face the future with confidence.

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

- *Skilled*



Our employees make the difference for our clients. They are skilled and well qualified and know all the environmental and safety requirements to do their work in a proper manner. We believe that knowledge and experience are both vitally important to be able to offer our clients the right quality services and to develop innovative concepts together. By appreciating our people and giving them the scope to become experts in their own fields, we enable them to perform their work with passion and enthusiasm.

- *Safe*



Good working conditions for our personnel and working with safe and well maintained equipment are a basic requirement for everything we do. We want everyone who gets in contact with us in traffic, or who works for or with us, to get home safely every day. Dynamic and motivated employees are the organisation's capital and our policy is designed accordingly.

- *Collaborative*



Van Gansewinkel goes further in (only) collecting and recycling waste and is continuously looking to add value in the chain and for our clients. We are a connecting link between organisations in the material chain and close the chain between consumer, collector, recycler and producer.

- **Trustworthy**



Our clients trust us as a committed partner; together we work openly and transparent. We realise manageable flows and together with our clients seek the most effective way to collect and process residual flows. With our employees, clients, suppliers and other stakeholders, we work with a simple and effective slogan: we do what we promise. We are aware of our reputation and continuously protect it in everything we do.

- **Progressive**



We invest in knowledge relating to collection, recycling and material flows in order to develop new concepts with partners and thus extract more raw materials from waste flows. We are innovative and progressive without losing sight of reality and will always seek the right balance between ecology and the total chain costs of a solution for our clients.

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. The Code of Conduct was and will be further defined and delineated in 2015 and 2016, with valuable input from our various business units.

Integrity

Since 2010 we also have been working actively to give shape and substance to the theme of integrity. Besides two corporate Integrity Managers 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 2015, 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 our integrity management participated in a seminar digital investigation and worked together with the internal ICT security management to create awareness among employees regarding data breaches and the financial and integrity consequences.

Furthermore, Van Gansewinkel's Integrity Managers 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 labour- and environmental themes as a factor when selecting and assessing processing businesses and suppliers. This hinges on demonstrable compliance with requirements laid down in laws and regulations, mutual arrangements and care for the supply chain.

In 2015, 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. 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. They then are audited by Van Gansewinkel employees trained specifically for that job. The results are recorded in a specially designed section of our management system. Key Performance Indicators are set on the total amount of performed audits. These KPIs are part of the monthly business reviews.

In recent years we also 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 and quality of processes and products. These themes are compared with the guidelines set out in the UN Global Compact. Van Gansewinkel audits its critical suppliers at least once every three years.

Awareness raising

In 2015 Van Gansewinkel launched several campaigns to raise awareness among various stakeholders related to waste management and the circular economy.

National Waste Test

We successfully launched our 'Nationale Afvaltest' (National Waste Test) in both Belgium and the Netherlands in order to increase awareness of waste segregation at the workplace and work with the business community in order to recover more raw materials from waste. More than 7,500 companies already took the test. We concluded from the results that there is much room for improvement at companies when it comes to waste segregation and prevention.

Waste Performance Profile

We followed up the 'Nationale Afvaltest' with the Afval Prestatie Profiel (Waste Performance Profile), an online tool unique in the industry that builds on the Afvalbarometer (Waste Barometer) launched in 2011. The data used in the tool was created in association with the research institute TNO (the Netherlands Organisation for Applied Scientific Research). The sixteen most common waste streams were mapped out and calculated for the profile, giving companies access to detailed information on the amount of valuable resources and carbon emissions they can save by sorting their own industrial waste. The tool provides access to waste sorting percentages, increases awareness of cost-saving waste sorting in the workplace, and can be used both by Van Gansewinkel customers and others.

National Waste Report

In order to inform, inspire and activate not just businesses but also the general public, public authorities and the political community realising more value out of waste, we published the National Waste Report 'WAARDEvol' in late 2015. This report, which can be downloaded free of charge, is a fascinating combination of data from our test and relevant trends in the world of waste and various business sectors, plus the scientific and political communities, and also includes inspiring stories about sustainability. These reveal that there are many resources as yet untapped when it comes to making our society more sustainable.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

Integrity

In 2015, we received 133 integrity reports, compared to 106 reports in 2014. 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)
- misuse of confidential information
- crime (primarily theft)
- fraud
- improper use of company assets, in relation to illegal waste collection (either paid or unpaid),

Of the 133 reports, 17 were taken under investigation and 112 were reclassified as integrity advice and as such were designated as not requiring investigation. The subjects of those advisory reports vary, ranging from camera surveillance, security, narcotics, assistance with criminal investigations, theft of (fuel out of) vehicles, and false identity and phantom invoices. In some specific cases we cooperate with the police, in which they are in the lead. Several instances resulted in reports being filed with the police, and in some cases criminal investigations were conducted. Involvement in integrity infringements led to five employees being dismissed, compared to four employees in 2014. To improve future risk management processes, every finalized investigation is accompanied with an advice document which is provided to the Board of Directors and the involved operational management.

In the case of aggression and violence 21 reports were filed by Van Gansewinkel employees, compared with 18 reports in 2014. 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 2015.

Sustainable supply chain management

250 audits on processing businesses were conducted in 2015 (target was also 250 audits). The average score attained in these audits increased from 6.8 in 2014 to 7.2 in 2016. In 2015 Van Gansewinkel conducted audits at 30 critical suppliers, thus meeting the target. The results of all the audits were satisfactory to good.

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 June 2015 by the CEO on behalf of the Executive Committee. 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 organisation is given shape where the actual activities take place: in the businesses. As such, almost every division has its own 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.

Employee Motivation Survey

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

Our most recent Employee Engagement Survey, held in 2014, was completed by more than half of our employees. We achieved a score of 6.8 in both categories of Satisfaction and Engagement, a result with which we were satisfied given the corporate reorganisation completed in 2013. Based on the survey results, a number of improvement projects were launched in 2015 relating to communications, intra-departmental collaboration, workload and vitality, and the condition of various materials and equipment.

In 2016 we will explore opportunities for measuring employee engagement and satisfaction on an ongoing basis rather than biannually, including periodic evaluations on various issues. The purpose of this exercise is to receive more regular feedback from employees and create more support on this basis. Our target is to further improve our employee engagement score to 7.2 in 2016, with a long-term target of 7.8 in 2020.

Collective employment agreement

All 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 enforced in the Netherlands.

In Belgium indirect workers have what is commonly known as collective insurance. Direct workers are represented by three joint committees: PC 226 (transport/logistics), PC 121 (cleaning) en PC 142 (recovery of materials). These include pension schemes and early retirement schemes. The conditions for permanent employees, such as insurance, healthcare and leave entitlement, also apply for 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. The SHEQ department (Safety, Health, Environment and Quality) advises and supports the operational organisation in permanently integrating safety and working conditions into its operations. In all business units a SHEQ manager is included who reports to the business unit director once a month on the progress of the pre-set KPIs, including the injury frequency. With the decentralised positioning of SHEQ managers close to the operation, it is possible to make full allowance for local differences in laws and regulations and the culture of safety. The central SHEQ department also advises the local SHEQ management on safety issues and other concerns.

In 2015, SHEQ focused on integrating the safety policy into our day-to-day operations by:

- bringing SHEQ closer to the operation;
- investing additional funds in safety training at the middle-management level;
- involving SHEQ at an early stage in new construction or renovation initiatives.

SHEQ will be focusing in 2016 on the following safety-related issues: safety awareness, fire prevention, machine safety and change management.

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 shape of the pyramid shows that every incident at the top of the pyramid is preceded by a great number of Near Misses, represented by the base of the pyramid. By recording the Near Misses, Van Gansewinkel gets an important insight in potentially dangerous work situations or dangerous actions which can lead to incidents. 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 2015 in development of integrity tools for both generic policy and custom work. In order to increase the awareness among employees and management, 34 training courses and/or workshops were held in 2015, in which an estimated total of 570 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.

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 Group 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 were 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 2015, 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

Van Gansewinkel had operations in seven European countries in 2015. In April 2015 Van Gansewinkel sold its Czech operations to AVE CZ. The operations of OVA (Olie Verwerking Amsterdam) were transferred to Avista, a company specialised in this industry. In June 2015 Remondis acquired our Polish operations, while at the end of 2015 Paprec took over our French waste collection division. In each of these cases, the new owners took on the existing staff. The sale of these divisions is consistent with our strategy of focusing mainly on strengthening our position as the market leader in the Benelux and on further developing our recycling activities.

The following parameters apply:

- The workforce decreased by 4.0% to 4,352 employees (excluding temporary workers) (2014: 4,534). The 2014 and 2015 numbers are like for like, excluding the sold entities.
- 96.4% of the employees have a permanent contract.
- The age groups 35 – 45 and 45 – 55 are overrepresented in the workforce (together 63,1% of the workforce).

The company had 3,460 male employees and 731 female employees with fixed-term or permanent employment contracts. The corresponding figures for 2014 were 3,581 men and 737 women. This means that the shift in the proportions during 2013 was marginal, going from 17,1% women in 2014 to 17,4% women with a fixed-term or permanent contract in 2015.

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 92 persons, including 79 men and 13 women. In 2014 the management consisted of 100 employees: 83 men and 17 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. Staff turnover at year-end 2015 rose slightly compared to previous year: 10.3% versus 8,9% at year-end 2014. With the organisation having stabilised over the course of 2013 and 2014, following the 2012 reorganisation, in 2015 we saw movement in the job market again leading to more movement of personnel. Consequently staff turnover again is up and around the target of 10%.

Health and safety

We want to see all our employees return home safely at the end of each day – as well as any other individuals we encounter on a daily basis, such as our fellow traffic users. In order to ensure that our incident statistics are comparable with other companies operating in our industry, we express them as an Injury Frequency (IF) factor. This IF factor indicates the number of lost time injuries for every one million exposed hours. In addition, we also consider the level of seriousness of the incidents, the Severity Rate (SR). This severity rate is translated into the number of days of sickness absence during which employees, as a result of the injuries they sustain, are unable to perform their own work or alternative work. This number, too, is expressed in relation to the number of exposed hours.

With an overall injury frequency of 8.6 in 2015, we saw a strong improvement from the result for 2014 (10.4). We achieved the sharpest decline at our recycling companies Coolrec, Maltha and Van Gansewinkel Minerals. At Van Gansewinkel Minerals, the IF factor was as low as zero. The severity rate fell sharply in 2015 (by 0.35) over 2014 (0.45). Although we improved our performance in both indicators, we fell just short of achieving the target, which was mainly the result of the large number of incidents caused in December 2014, as a result of the bad weather. We saw this effect reflected for the full year 2015 in the 12-monthly average. We are nevertheless satisfied with the ongoing improvement process, and our objective is to continue this positive trend in 2016. In addition, we continue to score higher in injury frequency across the industry than other companies operating in our sector. In the Netherlands we scored an injury frequency of 6,9, compared to an average of 11,9 in the sector. In Belgium the score was 12,8 compared to an average of 19,5 in the sector. With injury frequencies of around 14,5 at our Coolrec and Maltha plants and even an IF of zero at Van Gansewinkel Minerals, our recycling entities also score well below the sector of average of 20,2.

Despite our positive results compared to the benchmark, we believe that every incident is one too many. Van Gansewinkel therefore learns from the incidents by actively attempting to change people's attitudes and behaviour. In 2015 we investigated our incidents even more closely through the Incidents Root Cause Report. The manager and the SHEQ Officer use a methodical system to analyse the incident together with the victim. This system enables users to assess which causes have resulted in the physical injury and whether any new measures need to be implemented in order to prevent similar incidents in the future.

Absence

The sickness absence rate in the Netherlands in 2015 was 5.60%: a 7% increase from the rate for 2014 (5.23%). At our Belgian sites, only sickness absence less than two weeks is registered. The result here was 2.33%, versus 2.30% in 2014. At our Dutch sites, the increase was largely caused by an increase in long-term sickness absence. Contributing factors included the higher percentage of older employees (55+) combined with the physically heavy labour common in our industry. It is therefore important that our organisation transition from a curative to a preventive sickness absence policy. The 'Sickness Absence Management for Supervisors' training programme was launched for this purpose in 2015. In addition, our employees were requested to participate in the employability check introduced by Sectorinstituut Transport en Logistiek (Industry Institute for the Transport and Logistics Industry). At the end of this check, all employees received an individual report, which contains information on their own long-term employability. Employees then set to work on improving any problems with the support of a vitality coach.

Suppliers

Van Gansewinkel audits its critical suppliers at least once every three years. 30 audits were conducted last year. The results of all the audits were satisfactory to good.

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 2015, the emphasis was on the verification of the degree of compliance of the activities of Van Gansewinkel, as well as on the acceptance protocol.

In 2015 we completed our external certification processes for ISO 9001, ISO 14001 and OHSAS 18001. This was a sizeable programme involving external audits and consisting of approximately 200 audit days. The programme extended across all levels of our organisation and tested our procedures in practice. The external audits conducted in 2015 resulted in 47 deviations from the standards. This is comparable to 2014, when 46 deviations were detected. The four most frequently detected deviations were related to non-conformity with the following standard elements.

Deviations from the standard:

Measuring and monitoring	20
Resources, duties, responsibilities and authority	10
Production realisation	9
Risk management	8

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 2015.

Compliance

As part of our management systems, we monitor compliance with permit requirements. We have recorded 765 permits and more than 10,000 permit requirements in a digital system. In order to track the corresponding compliance requirements and actions, we performed a total of 355 compliance checks during the year under review. Any omissions are prioritised in this system using the following three levels: 'Attention Required', 'Urgent Non-Conformity' or, in extreme cases, 'Not in Control'.

We were forced to report one case of 'Not in Control' in 2015 – this was related to an excess amount of wood at the sites. On average, we received 20 'Urgent Non-Conformity' reports during the year. The majority of these concerned the status of our fluid-proof facilities, violations of disposal requirements, assurance of the European Waste Catalogue and Hazardous Waste List system, and violation of driving times and resting times. Action plans have been drafted and implemented for each of these 'Urgent Non-Conformity' reports.

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, an eco-drive program for our waste truck drivers, and the choice of energy-efficient models when buying new vehicles.

Sustainable product development

'Cooperation' is the keyword in the circular economy. As a waste collection and recycling company, we understand better than anyone what happens to waste at the end of a cycle and the beginning of a new cycle, since we produce the resources for these processes. This is where we see our future: we seek to be the connecting link in the circular economy and work with our partners to develop innovative concepts which go well beyond the efficient and sustainable collection of waste streams. For example, we are planning on entering into long-term partnerships to create shared innovations relating to reuse, specific refurbishment programmes and other usage models. To that end, we have formed a Business Development department in 2013, to accelerate innovation both in the short term and in the long term and to further improve our performance in high-quality recycling techniques. Besides that, April 2014 saw the launch of the Circularity Center, a partnership between Rabobank, Bikker & Company and Van Gansewinkel. The Netherlands Organisation of Applied Scientific Research (TNO) and Innovation Quarter have since also joined the Center as members.

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

Some examples of our chain partnerships in 2015.

Superuse Studios

As a facilitator of the circular economy, Van Gansewinkel also aims to prevent waste and ensure that it only ends up as residuals in recycling processes after several cycles. In order to promote the reuse of residuals and other products, our company entered into a partnership with Superuse Studios, a company specialising in sustainable design. Van Gansewinkel offers the Oogstkaart.nl website – a type of marketplace for residuals – as part of its services to its customers. They can use the website to purchase specific residuals that require as little processing as possible and give it a useful purpose elsewhere while retaining its value as much as possible.

BinBang

BinBang manufactures bins for home sorting – designer collection and waste bins for use by consumers at home that work on the basis of a modular system. Van Gansewinkel is currently investigating opportunities to supply recycled plastics for the manufacture of the collection bins. Besides supplying the waste bins, BinBang has also launched an awareness-raising project for consumers. For Van Gansewinkel, the services provided by BinBang are a perfect addition to Gansewinkel EcoSmart, which optimises waste collection in office environments with innovative collection solutions.

Afval loont

Afval loont ('Waste Pays Off'): the Dutch Recycle Bank' is a concept by Van Gansewinkel, project initiator Jørgen van Rijn, and the Rebel Group. In January 2016 Social Impact Ventures joined them as a fourth partner. The partners aim to see the number of outlets of the recycle bank increase from 20 to 30 in the next few years. In fact, this increase is necessary in order to allow 'Afval loont' to operate independently. The recycle banks involved in the project pay cash for every kilo of waste consumers deliver to their premises – including textiles, electronic devices, plastic, paper, metal and frying fat. The consumer deposits the amount onto a loyalty card, and 'Afval loont' then awards them the amount every time they have returned 10 euros worth of waste.

Netherlands Circular Hotspot

As part of efforts to further accelerate the transition to a circular economy, Van Gansewinkel became an ambassador for 'Netherlands Circular Hotspot', an impressive new programme whose objective is to position the Netherlands as an international leader in the transition to a circular economy. During the Dutch EU presidency in 2016, we will be working closely with 25 leaders in the transition to a circular economy, as part of the programme to present the research about this economy developed over the past few years.

Flanders Recycling Hub

We became a partner in the ambitious Belgian project the 'Flanders Recycling Hub', which was launched by a consortium made up of the Vlaams Instituut voor de Logistiek (Flemish Logistics Institute/VIL), the Openbare Vlaamse Afvalstoffenmaatschappij (The Public Flemish Waste Company/OVAM) and the Vlaamse Instelling voor Technologisch Onderzoek (Flemish Institution for Research in Technology/VITO). The project is part of a wider initiative called the Vlaams Materialenprogramma (Flemish Materials Programme). It aims to strengthen the Flemish ports, economy and recycling industry so as to take advantage of opportunities for increased recycling and the creation of a circular economy in Flanders. Van Gansewinkel contributes its knowledge of logistics, recycling and raw materials and supports other partners of the Hub in closing materials loops.

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 the DAF-truck manufacturing company, we are increasingly using electrical vehicles. In 2013, Van Gansewinkel achieved a world first with the introduction of the E-truck. Further investments in this area are in the offing.

In the implementation of its core activities, Van Gansewinkel uses an extensive fleet, consisting of 1,491 company cars and 624 lease cars (compared to 1,467 company cars and 635 lease cars in 2014). 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 the avoided CO₂ emissions we contribute to when closing the materials loop, ensuring that natural resources can remain in the environment and we can reduce carbon emissions in the value chain. 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.vangansewinkel.nl/zakelijk/co2-prestatieladder

Sharing knowledge

In addition to liaising closely with our customers and suppliers, we also maintain relationships with other stakeholders, including ministries, non-governmental organisations (NGOs), investors, trade unions and media. This provides our organisation a better grasp of the latest social trends and developments with the objective of improving the quality of our services and business operations. In addition, stakeholder dialogue is also a key aspect of the contribution we intend to make to society. Depending on the issue involved, the expectations and the desired or required action to be undertaken, stakeholders play a role in this process in various compositions.

Our Public Affairs department initiates a large number of stakeholder dialogues in the Benelux with governments and semi-government agencies and trade associations which are devoted to setting policies on waste formation policies. Examples of this include meetings with and visits from political leaders and parties, meetings with semigovernmental organisations, including OVAM in Belgium, and regular meetings with trade and industry associations, such as the Vereniging Afvalbedrijven (Association of Waste Processing Companies) in the Netherlands and FEBEM in Belgium. The topic of 'The Circular Economy' was discussed extensively with a wide range of stakeholders. Examples of this include our contribution to the Groene Top Trein (Green Top Train) in November 2015, the round table conference 'The Circular Economy in the Urban Environment' in October 2015, the partnership with the Flanders Recycling Hub and the NVRB meeting on the circular economy at Coolrec in Waalwijk.

Van Gansewinkel also organised several stakeholder dialogues in 2015. These included:

- A meeting with major customers from the healthcare sector in order to discuss specific waste issues;
- A Supplier Day with the objective of strengthening the relationship with suppliers;
- A meeting with a delegation from Horeca Vlaanderen (trade association for the Flemish food service industry) as part of the 'No Food, No Waste' campaign, which is aimed to fight food waste in this industry;
- A Sales Day for account managers in Belgium;
- An e-waste collection day at our site in Châtelet, Belgium;
- Several employee sessions as part of the Samen Sneller Verder (Faster Forward Together) transition process;
- A leadership meeting organised at the location of our partner DAF Trucks.

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 CO₂ emissions. By using Geopolymer technology instead of the thermal process that is usually applied, the CO₂ 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 2015 Van Gansewinkel Minerals also received the so called BRL 2507 certificate (KOMO® product certificate) for the *Forz AEC granulate* which can be used as a substitute for soil and sand in the concrete industry.

In 2014 and 2015, one of the inspiring examples from our newly founded Circularity Center is our support towards several young entrepreneurs from Better Future Factory in achieving their goal of using our recycled plastics to manufacture filament for 3D printers. This requires compliance with all manner of laws and regulations, including REACH and ROHS. Precisely because these are recycled materials, this process is more complex than for primary raw materials. Van Gansewinkel played a key role in teaching the entrepreneurs about what plastics to use, as well as supplying the plastic for a white filament. This plastic is derived from the recycling of refrigerators.

Van Gansewinkel is evolving into a raw materials supplier. We are innovating not only in the area of recycling separate materials streams, but also in the area of mixed residuals. Together with our partner AkzoNobel, we are involved in developing innovative technologies, including the Waste-2-Chemicals project based on Enkern technology, which involves the production of synthesis gas (syngas) based on (household) residual waste. This serves as a raw material for products such as methanol and ammonia. The public-private partnership is currently exploring opportunities for opening the first European production facility based on this technology in Rotterdam or Delfzijl. This is a good example of how valuable products are generated from waste, whereas before incineration served as the only 'solution'.

Measurement of outcomes

Description of how the company monitors and evaluates environmental performance.

Initiatives and programmes to reduce waste materials

In 2015, 93.1% of the waste that left Van Gansewinkel was given a second life through use as a raw material (65.3%) or useful application as green energy (18.8%). Giving 65.3% of the waste a second life as a raw material prevents the emission of 1.17 million tons of CO₂ in the chain. At Van Gansewinkel's request, TNO determined the key figures per waste stream in 2010. To make sure the figures are up to date, this research is conducted again in 2016. In 2014 we gave 63.8% of the waste a second life as a raw material. At that time, this prevented the emission of 1.19 million tons of CO₂ in the chain.

As a raw materials supplier, we specialise in segregating and recycling waste, bringing residuals back into the value chain. By 2020 we have set ourselves the goal of giving 75% of the waste collected a second life as raw materials for new products. The good news is that this percentage of 'waste recycled into raw materials or energy sources' is growing. This comes at the expense of, in particular, the volume of waste used as fuel for incineration plants. The waste that is not effectively processed and must therefore be landfilled is not reduced at the same rate, since substantial legal measures were already taken during the preceding period. In 2015 we converted 65.3% of the waste into new raw materials, improving the percentage by 1.5% compared to 2014. Once we operationalise the sophisticated new sorting machines and improve our efforts to improve waste segregation at the source, we maintain our target of 68% of waste to be converted into raw materials. In addition, we will be giving 27.9% of the waste we process a useful purpose as fuel for waste-to energy plants, which then use this fuel to generate a mixture of green and grey energy

CO₂ impact Van Gansewinkel core activities

We calculate our carbon footprint in accordance with the Carbon Performance Ladder method. The direct emissions (scope 1) we generate represent more than 92,000 tonnes of carbon and are made

up of nearly 75% of the fuel consumed by our waste collection vehicles. Additionally, we also consume diesel as fuel for location vehicles and other materials and equipment, accounting for 15% of the scope-1 emissions. The fuel consumed by the lease vehicles, the consumption of gas and propane for the heating of buildings and the extraction of biogas from a dump which we use to produce green energy comprise the remaining 10% of the scope-1 carbon emissions.

The scope-2 carbon emissions – adding up to almost 18,000 tonnes of carbon dioxide – are generated by electricity purchased and account for more than 16% of our total carbon footprint. This footprint fell by 2.5% between 2014 and 2015. The decrease was mainly the result of fuel consumption for our trucks and site equipment on the one hand, and electricity consumption at the sites on the other.

The following example serves to put this data into perspective. More than four times Van Gansewinkel's own carbon emissions (scope 1 and 2), our company Coolrec saves 509,525 tonnes of carbon equivalents by recovering more than 147,000 kilograms of cooling fluids alone, i.e. 509,525 tonnes of carbon equivalents. The main contribution of the waste companies to the total carbon reduction is the creation of secondary raw materials and energy extracted from waste. This helps to prevent the emission of large amounts of carbon across the value chain as a whole in relation to the production of primary raw materials and the use of fossil fuels. For Van Gansewinkel, this added up to more than 1.17 million of tonnes of carbon in 2015, versus 1.19 million tonnes in 2014. This decline is related to a reduction in the total amount of waste processed combined with a higher percentage of waste converted into raw materials rather than being incinerated. As a result, we avoided roughly 11 times as much carbon emissions than we generated ourselves as an organisation. We nevertheless remain focused on further reducing our carbon footprint.

Environmental incidents

Unfortunately, incidents sometimes occur during the storage, transshipment and processing of waste which have an impact on the immediate living environment. We report these issues in our reporting tool, TrackWise. Examples of such environmental emissions include oil leaks (including hydraulic oil leaks), noncompliance with dumping requirements, water and wastewater, and dust, odour and noise pollution. A total of 189 of these types of incidents were reported in both 2015 and 2014. None of these incidents have resulted in any major contingencies.

In addition to environmental emissions, we also focus specifically on fires. A number of major incidents occurred in recent years, including fires on industrial premises, collection vehicles and/or containers. In 2015 there was therefore an additional focus on fire inspection rounds, auditing the waste acceptance policy, and reducing the storage of combustible waste to outside office hours as much as possible. During the year under review, the number of fires increased by 14% to 104, versus 91 in 2014. The focus in 2016 will once again be on the same areas, and on 28 April 2016 – National Safety Awareness Day – we will focus on fires again, starting with an internal awareness-raising campaign relating to acceptance policies.

Power consumption

Our trucks are on the road every day to collect waste from customers and transport it to our various treatment and processing facilities around the country. We operate a total of 140 of these facilities in all. Van Gansewinkel tracks energy consumption at all its sites, focusing on electricity and gas consumption, since this accounts for the bulk of the consumption required for waste processing, lighting and heating at our sites. Overall electricity consumption fell by 8.0%: from 43,766 MWh in 2014 to 40,272 MWh in 2015. Van Gansewinkel Netherlands showed the largest decline. This was related in part to the reduction in processing activities at our Utrecht site. Coolrec showed the largest increase, as a result of increased activities in Baumholder and in Waalwijk. Due to an increase in activity at the Coolrec site in Baumholder and several Van Gansewinkel Netherlands sites, gas consumption increased by 9.6% in 2015: from 1,748,532 Nm³ in 2014 to 1,917,148 Nm³ in 2015. We calculate the total energy savings for the sites by converting natural gas consumption into MWh (conversion factor: 8.79 MWh per 1,000 Nm³*) and adding this to the electricity consumption. In 2015, this accounted for 3.4% versus 2014, which means we achieved the target of 2.5%. We will continue to work on attaining our energy-efficiency target in 2016 by launching an extensive energy management

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.

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 with trust, and that has to be earned every day, in which our people have an important role. 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 has many forms, with 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 corporate Integrity Managers 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 2015, we received 133 integrity reports, compared to 106 reports in 2014. 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)
- misuse of confidential information
- crime (primarily theft)
- fraud
- improper use of company assets, in relation to illegal waste collection (either paid or unpaid),

Of the 133 reports, 17 were taken under investigation and 112 were reclassified as integrity advice and as such were designated as not requiring investigation. The subjects of those advisory reports are ranging from camera surveillance, security, narcotics, assistance with criminal investigations, theft of (fuel out of) vehicles, and false identity and phantom invoices. In some specific cases we cooperate with the police, in which they are in the lead. Several instances resulted in reports being filed with the police, and in some cases criminal investigations were conducted. Involvement in integrity infringements led to five employees being dismissed, compared to four employees in 2014. To improve future risk management processes, each finalized investigation is accompanied with an advice document which is provided to the Board of Directors and the involved operational management.

In the case of aggression and violence 21 reports were filed by Van Gansewinkel employees, compared with 18 reports in 2014. 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 2015.